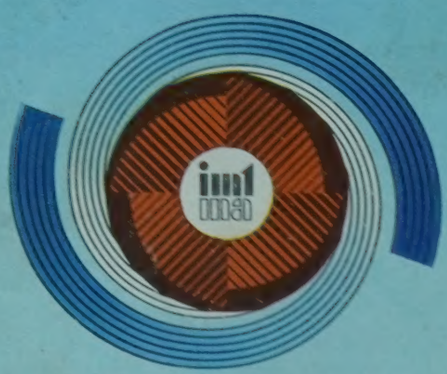
IMTEX 89

Indian Machine Tool Exhibition with international participation

2-13 February 1989

- Largest specialised industrial exhibition to be held in India.
- Over 800 exhibitors displaying entire range of machine tools and allied products.



- Large international participation with 210 exhibitors from 19 countries.
- Most significant technology show with accent on newly developed machine tools.

Venue:	**Timings:**
Godrej Industrial Complex	Trade Visitors: 0930 to 1300 hours
Vikhroli, BOMBAY 400 079	Other Visitors: 1300 to 1800 hours

Sponsored & Organised by
INDIAN MACHINE TOOL MANUFACTURERS' ASSOCIATION

82, Jolly Maker Chambers 2,
Nariman Point, Bombay 400 021
Phone: 2023271/2027931
Cable: IMTMA, Bombay ☐ Telex: 011-6211

CHAITRA-B IMTMA 13

4-6

Business India

agazine of the corporate world February 20 to March 5, 1989 Rs. 6

CAN PRICES COME DOWN?

Yes, provided the government takes some radical policy initiatives in a number of areas to help the economy break out of the high cost, low growth syndrome

The Aga Khan — a productive partnership

INSIDE

Century's fine finish
Coke's real story
Promoting France in India
Of horses and wines

ZODIAC
U
THE NEW U SERIE
BY ZODIA
Some of the classics with the twist of today.
A lot of new excitement from the fashion capitals of the world.
And a bit of tomorrow as international designers see it.
Crafted to suit your kind of life-perfectly!
Very Zodiac, very you.
ZODIAC
ZODIAC

19 APR 1999

COVER FEATURE

50 Can prices come down?
Yes, provided the government takes radical policy initiatives. But, it is doubtful whether an election year budget will be able to achieve this. Nevertheless, a fall in prices is what the middle class voter expects from Rajiv Gandhi

CORPORATE REPORTS

68 CENTURY TEXTILES
A fine finish
The company is having a particularly good year with all its divisions making excellent profits
S. RADHAKRISHNAN

83 VIDESH SANCHAR NIGAM
Dial 00 for profits
GAYATRI BHANDARKAR

77 MONSANTO CHEMICALS
Free to grow now
DILIP MAITRA

79 TRIBENI TISSUES
Changing times
KAVERI MITTRA

FOCUS

89 COKE
The real story
After the initial calm, a veritable war has broken out over Coke's proposed export unit. Leading the fight are arch rival PepsiCo and the inevitable Ramesh Chauhan
SUTANU GURU

SPECIAL FEATURE

37 THE AGA KHAN
Preserving a productive partnership
On a visit to India recently, the Aga Khan met his followers and reviewed the wide ranging developmental activities that he has promoted
SAAZNEEN KARMALI

FEATURE

65 FESTIVAL OF FRANCE
France bids for an Indian connection
Amid laser shows, jazz and operas, France unveils a high-tech profile to woo Indian industry into fresh alliances
SHIV TANEJA with EAPEN THOMAS

25 BUSINESS NOTES
Azim on foreign jobs for marine officers

Information technology — increasing relevance

Soaring colour picture tube prices squeeze TV manufacturers

Is ICICI getting into the real estate game?

The Madras Leather Fair generated huge business

99 COLUMN
The agricultural policy merely recycles poverty, says
MOHAN GURUSWAMY

103 BANKING
Controversial banker B. Ratnakar refutes allegations about corruption
KEYA SARKAR with DEVAPRASAD PUROKAYASTHA

104 STATES
The new Tamil Nadu chief minister, M. Karunanidhi, has inherited a crown of thorns
SUSHILA RAVINDRANATH

116 LABOUR
Reactions from labour and management to his column
E.A. RAMASWAMY

121 ADVERTISING
Lintas India: 50 years of hard sell
SHIV TANEJA

122 MARKETING
As markets get more complex, market research responds with more sophisticated tools
RAMA BIJAPURKAR

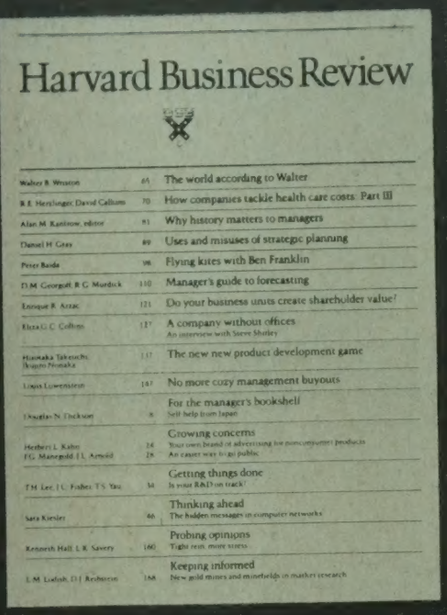
125 EXECUTIVE LIFESTYLE
A four-year slump gave way to an excellent response at this year's RWITC annual horse auction
S. RADHAKRISHNAN

224 INTERVIEW
"The US is taking a serious look at India," says Melvin W. Searls, commercial counsellor at the US Embassy

121 Advertising
103 Banking
177 Books
22 Businessmen in the News
25 Business Notes
49 Centre
99 Column
44 Comment
139 Corporate Monitor
68 Corporate Reports
50 Cover Feature
160 Debentures
45 Economic Indices
47 Economic Outlook
183 Executive Ladder
125 Executive Lifestyle
65 Feature
89 Focus
35 Follow Up
8 For Your Information
127 International
224 Interview
164 Investor Contest
179 Jobwatch
116 Labour
3 Letter from the Publisher
5 Letters to the Editor
13 Listening Post
153 Market News
122 Marketing
108 Medicine
151 New Issues
14 News and Events
173 People
169 Professional Profile
184 Reader Service
37 Special Feature
104 States
158 Stockmarkets
129 WorldPaper

Published and printed by A.H. Advani of BUSINESS INDIA Wadia Building 17/19 Dalal Street, Bombay 400 001, at the Tata Press Limited, Bombay 400 025 & Phototypeset by Business India Photosetters.

Subscribe To Excellence


Harvard Business Review

Walter B. Wriston	65	The world according to Walter
R.E. Hershinger, David Cellucci	70	How companies tackle health care costs: Part III
Alan M. Kantrow, editor	81	Why history matters to managers
Daniel H. Gray	89	Uses and misuses of strategic planning
Peter Beida	98	Flying kites with Ben Franklin
D.M. Georgoff, R.G. Murdick	110	Manager's guide to forecasting
Enrique R. Arzac	121	Do your business units create shareholder value?
Elsie G.C. Collins	137	A company without offices An interview with Steve Shirley
Hirotaka Takeuchi, Ikujiro Nonaka	137	The new new product development game
Louis Lowenstein	147	No more cozy management buyouts
Douglas N. Dickson	8	For the manager's bookshelf Self-help from Japan
Herbert L. Kahn, F.G. Mansgold, J.L. Arnold	24, 28	Growing concerns Your own brand of advertising for non-consumer products An easier way to go public
T.M. Lee, J.C. Fisher, T.S. Yau	34	Getting things done Is your R&D on track?
Sara Kiesler	46	Thinking ahead The hidden messages in computer networks
Kenneth Hall, L.R. Savery	160	Probing opinions Tight rein, more slack
L.M. Lodish, D.J. Reibstein	168	Keeping informed New gold mines and minefields in market research

A magazine written for decision makers worldwide. Published by Harvard Business School.

50 Recent Articles from the Harvard Business Review...

Read them and consider: a single article—if it's the right article—could make all the difference in your business and your career!

CORPORATE STRATEGY

Get Leverage from Logistics
Line Staff Is Obsolete
Management in The 1980s
The Risky Business of Diversification
Task Teams for Rapid Growth
How to Acquire a Company
Management of Objectives

GENERAL MANAGEMENT

Patterns of Delegation
Making Sense of Management Theory
Power and the Ambitious Executive
The Effective Decision
Problems of a New Executive
How to Meet the Press
Thriving in a Recession

PRODUCTION & OPERATIONS

Simple Truths of Japanese Manufacturing
Every Factory Has a Life Cycle
Sweeping Changes in Distribution
Demand Better Results—And Get Them
Guides to Inventory Pricing
Productivity Management
What Happens When Our Oil and Gas Run Out?

FINANCE

New Balance Sheet for Managing Liquidity and Growth
The Folly of Stock Market Timing
Cashing in on the Checkless Society
The Psychology of Pricing
Using Your Hidden Cash Resources
Investment Policies That Pay Off
Using Credit for Profit Making

MARKETING & SALES

After the Sale Is Over...
Get More Out of Your Trade Shows
How to Segment Industrial Markets
Making Your Marketing Strategy Work
Squeezing the Waste Out of Advertising
Clues for Advertising Strategists
What Makes Advertising Effective?
Making the Major Sale

PLANNING & CONTROL

How to Get a Better Forecast
Making Cost Controls Work
Steps in Long Range Planning
Zero Base Budgeting
Sharpen Your Number Sense
Improve Your Profits Day by Day
Make Overhead Cuts That Last

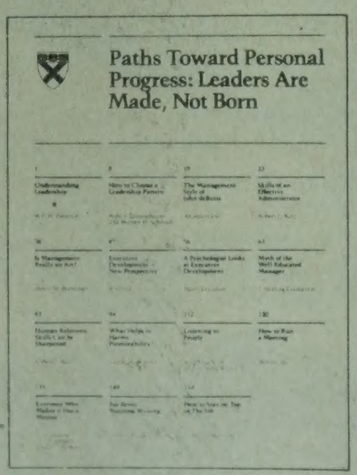
INTERNATIONAL

You're the Best Judge of Foreign Risks
Be Prepared for Political Changes Abroad
Doorstep for Free Trade
Succeeding in Saudi Arabia
Negotiating with 3rd World Governments
Critical Factors in Worldwide Purchasing
Managing the Risks of International Exchange

...And Receive A Free Gift!

PATHS TOWARD PERSONAL PROGRESS: LEADERS ARE MADE, NOT BORN is yours free as soon as your subscription order is received!

Skills of an Effective Administrator
Is Management Really an Art?
Myth of the Well-Educated Manager
What Helps or Harms Promotability
Listening to People
How to Run a Meeting
Everyone Who Makes it Has a Mentor
For Better Business Writing
How to Stay on Top of The Job
A Psychologist Looks at Executive Development


Paths Toward Personal Progress: Leaders Are Made, Not Born

SUBSCRIPTION INVITATION

Send my free copy of PATHS TOWARD PERSONAL PROGRESS: LEADERS ARE MADE, NOT BORN, start my 1-year subscription (6 issues) to Harvard Business Review and bill me for only Rs. 1,350/-

(Please add Rs. 15.00 for outstation cheques)

NAME _____
POSITION _____
COMPANY _____
STREET _____
CITY _____ PIN _____

Harvard Business Review YES

ADVANCED MANAGEMENT SERVICES
410, Jolly Bhavan No. 1
New Marine Lines, Bombay 400 020
Tel: 252998
Telex: 11 5132 HRVD IN

Business India

Publisher	Ashok H. Advani
Associate Publisher	Malvika Singh
Editor	Rusi Engineer
Deputy Editors	Dilip Cherian (Delhi) Mukarram Bhagat (Bombay)
Assistant Editors	Basudev Dass (Bombay) Aspi Contractor (Bombay) Sushila Ravindranath (Madras)
Senior Correspondents	Anoop Saxena (Delhi) Shankar P. (Bombay) N. Radhakrishnan (Bombay) Eapen Thomas (Bombay) Keya Sarkar (Bombay) Dilip Maitra (Bombay)
Correspondents	K. G. Kumar (Trivandrum) Dharani K. Pani (Madras)
Staff Writers	Madhumita Bose (Calcutta) Shekhar Ghosh (Bombay)
Chief Sub-editor *Senior Sub-editor* *Sub-editor*	F. S. Pinto Gouri Dange Tushar K. Das
Executive Director	Atul Deshmukh
Marketing Director	Pheroza Bilimoria 2024422/2024424
Advertising Manager	Roopina Cama 2041974/2253
Asst. Advt. Manager (Madras)	Vimal Shivdasani 474964/860714
Sr. Advt. Executives *(Bombay)* *(Calcutta)* *(Hyderabad)*	 Ferzine Esmail 2041974/2253 P. L. Baluja 448455 Minal Jagtiani
Advt. Executives *(Bombay)* *(Delhi)* *(Madras)* *(Bangalore)*	Elizabeth Jason, Urmila S. Kumar 2041974/2253 Prabha Nair, Archana Pillai 350135/350253 Annapurna Vancheswaran 474964/860714 Purnima Shah 74149
Marketing Manager Sales & Planning	Pheroza Sutaria 2041974/2253
Subscription Manager	Anita Mehta 274161
Regional Sales Representatives *(Bombay)* *(Madras)* *(Hyderabad)* *(Bangalore)*	 S. Ravi N. Iyer 274161 Sumati Bedi 474964/860714 S.S. Kannan 474964/860714 Minal Jagtiani Purnima Shah 74149
Design	Trilokesh Mukherjee
Layout *Artists*	Raphael Fonseca, Bertie D'Souza, Mukesh Pandya, Andrew Gonsalves
Production Manager	Henry Serrao
Distribution	India Book House Pvt Ltd
Registered Office	Wadia Building, 17/19 Dalal Street, Fort, Bombay 400 001. Tel: 274161/271558
Editorial, Marketing, Advertising & Administration Office	Nirmal, 18th floor, Nariman Point, Bombay 400 021 Tel: 204 6236/202 4422/202 4424 Telex: 11 3557 BZIN IN
Delhi Office	59, Regal Building, Connaught Circus, New Delhi 110 001 Tel: 350135/350253 Telex: 031-61359 NEW IN
Madras Office	Flat No 4-A JP Tower 4th Floor 7/2 Nungambakkam High Road Madras 600 034. Tel: 474964/860714 Telex: 041 7118 BZIN IN
Calcutta Office	Krishna Villa, 100 Park Street, Calcutta 700 017. Tel: 448455

Subscription rates
INDIA: ANNUAL SUBSCRIPTION Rs. 125
Plus Rs. 5 for cheques not drawn on a Bombay bank.

OVERSEAS (One year only)
Airmail only to Pakistan, Bangla Desh, Sri Lanka, Afghanistan and Burma Rs. 700 or US$58,
West Asia, Asia, Europe, Africa & Australia Rs. 1,250 or US$105. North and South America Rs. 1,300 or US$110.
Cheques to be drawn in favour of ***Business India.***
Rates include airmail charges.

Unsolicited manuscripts cannot be returned unless accompanied by postage.

LETTER FROM THE PUBLISHER

Can prices really come down? Or is that a pipe-dream and must we just learn to live with rising prices every year? Our parents or members of an earlier generation talk about a time when goods were very cheap and available in plenty and inflation was very low. As is only too well known since independence, we have landed up with an economy of shortages, high cost and relentless inflation.

How do we reverse this trend? The most elementary lesson of economics teaches us that price depends on demand and supply. The best way to drive down prices is to increase supply dramatically. The experience of the last few years, in several areas, has shown that prices can come down (or the black market premium can disappear). The most notable examples are cement, computers, televisions and two-wheelers. In fact industry is already planning exports of cement and computer hardware — a situation unthinkable three years ago.

Of course, the other way to bring prices down is to cut cost of inputs. As also to cut the duties and taxes.

Everyone in government recognizes this theoretical position. It is also true that in the last few years the government has been trying to do away with restrictions and regulations to encourage as much production as possible. However, few in government seem to be willing to cut duties and taxes since they feel it will only increase the deficit and lead to inflation. And even fewer in government feel that supplies can be increased through imports, since they feel our trade deficit is large enough.

Yet, clearly, experience worldwide has been that government can help bring prices down and sometimes dramatically.

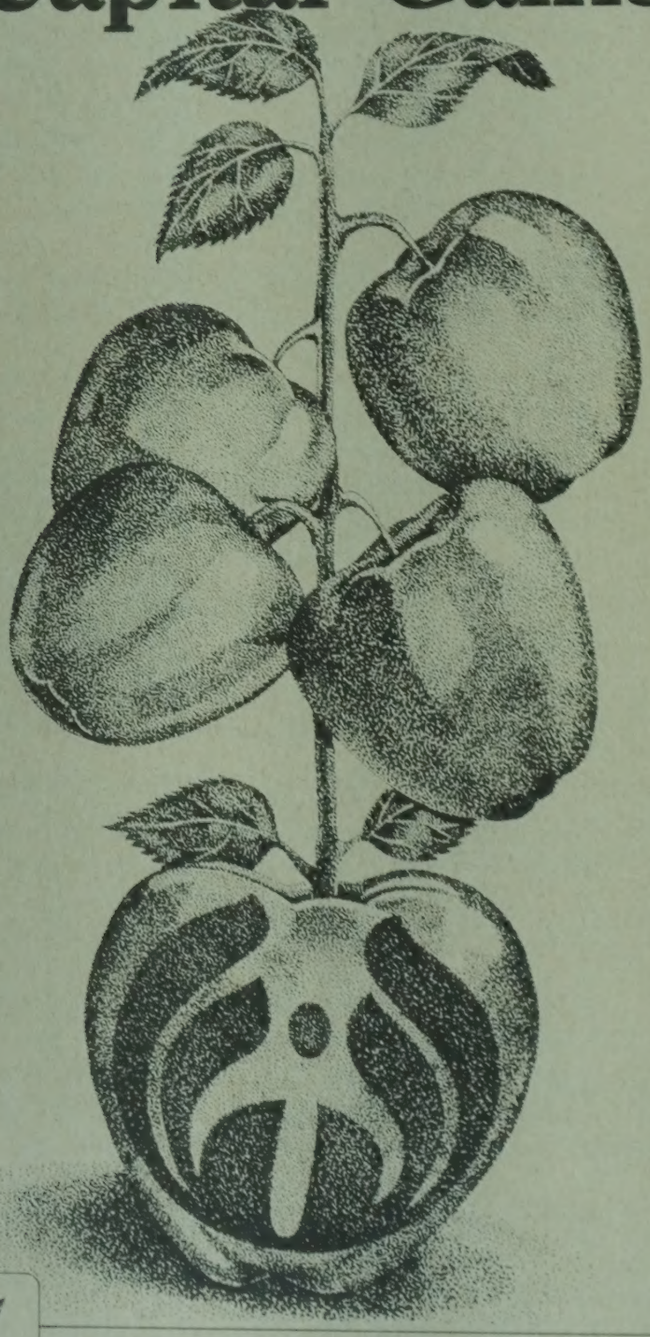
At the end of this month the government will present its budget. This is going to be the last budget before the general elections. There are clear indications that the budget will be a populist one with sops being given to many sections of society. But will such a budget, with a little for everybody, really change the public mood?

It is unrealistic to expect the budget to bring about a radical restructuring of the economy. But the fact remains that the middle classes had expected (or certainly hoped) that Rajiv Gandhi's government would bring about a sea-change in economic conditions.

Nothing hits the poor and the middle class more than inflation. If Rajiv Gandhi wants to woo back the middle class vote, the government must show that things can change and prices can come down substantially.

Ashok H. Advani

IDBI Capital Bonds
An attractive instrument for exemption from Capital Gains Tax.



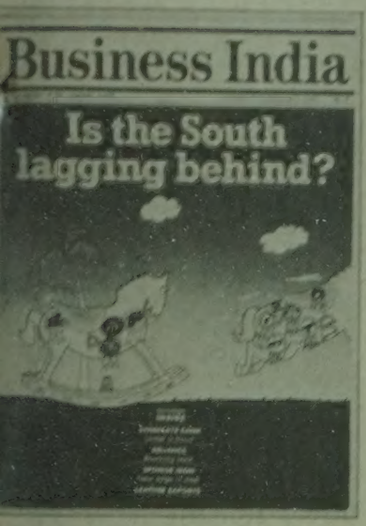
- Available at par throughout the year.
- Exemption from Capital Gains tax under Section 54E of the Income Tax Act, 1961.
- Exemption from Wealth tax under Section 5(1) (xvie) of the Wealth Tax Act, 1957
- Income tax benefit under Section 80L.
- Interest at 9% p.a. payable half yearly.
- At the investor's option, interest for the full period of 3 years can be paid in advance on discounted basis.
- No deduction of tax at source.
- Outstation cheques accepted and cost of collection will be borne by IDBI.

25TH YEAR OF SERVICE TO INDUSTRY

For further details contact the nearest IDBI office or write to Manager.

INDUSTRIAL DEVELOPMENT BANK OF INDIA

Jolly Maker Chambers No. 2, 225, Vinay K. Shah Marg, Nariman Point, Bombay 400 021.



• Southern discomforts

Poor South! Sushila Ravindranath's Cover Feature (23 January) was thought-provoking. It would be incorrect to find excuses for opportunities lost. But it would certainly be interesting to dwell into the real issues connected with the working/management of public sector companies in the South, almost all of which are floundering, and suggest remedial measures. It would be worthwhile to convert these public sector companies into joint sector by involving public equity and thereby making the "public sector" more meaningful.

AJOO THIMMAIAH
Bangalore

Your cover feature (23 January 1989) makes an incisive in-depth study, touching even the genetic aspect. As the author has analysed, so many factors have contributed to this state of affairs.

Can an improvement be expected from the newly elected government? Let us hope that the southern industrialists capable of achieving greater lauds shrug off their conservative shells and take the clue from the experience of A.C. Muthiah and place the south firmly on the industrial map of India.

THERIAPPAN
Coimbatore

The SM solution

The BIFR recommendation to Standard Motors to concentrate on LCVs is not a feasible solution (Corporate Report, 9 January). The LCV market is already flooded by Telco and high tech Japanese products and it will be impossible for Standard Motors to sell its outdated Standard 20 LCVs.

The best solution will be to concentrate on the Standard 2000 passenger car by changing its engine and gearbox. The car has problems only on its driveline and once a suitable driveline is introduced, it can be successfully marketed.

J. THARAKAN
Kerala

• Takeover targets

This is with reference to your Guest Column by Jit Paul (23 January).

It is correct to say that companies with good track records appear attractive to takeover bidders.

It is surprising to note that there is still no law to regulate takeovers. The government must formulate a suitable legal measure and put the acquisition process under close scrutiny. It should permit take overs only if these are in the best interest of the company, and its shareholders. The shareholders must also be informed about these deals and their interest must be protected.

D.S. RAWAT
Udaipur

• They merit mention

In your cover feature 'Shares in 1988 — the best and the worst' the overall analysis gets truncated by your eliminating companies: (i) having equity capital less than Rs.2 crore; (ii) whose market quotations as on 4 January 1988 (first trading day of 1988) were below par; (iii) which came up for listing in 1988.

Shares of companies in category (i) above, despite their comparatively poorer liquidity, have been fancied all along in 1988 by the investors as well as the institutions. It will not be an exaggeration if I may say that the year 1988 can truly be described as the "year of the small companies".

Companies in category (ii) also deserve attention and inclusion in your sample survey as these were the companies who staged a turn-around in 1988 and are worth watching now. Some of these companies are — TVS-Suzuki, International Instruments, Munjal Showa, GKW, Apollo Hospitals, Eicher Motors etc. Also in category (iii) would fall companies like, Samtel Colour, JCT Electronics, Sunflag, Carrier Aircorn, India Glycols. Many of these opened their quotation below par or around par and soon galloped to double/treble their quotations. These companies are also worth watching.

Lastly, I may also point out that in your list of 20 companies ranked by dividend in 1988, you have put Reliance having paid 55 per cent dividend, as No. 1. This again is an abberation. Dividend for Reliance pertains to an 18 months period which on annualised basis works out to 37 per cent only and thereby bringing down its ranking to No.15.

B.R. BHUTAN
Madras

• Blind spot?

This refers to the article 'Some Surprises at SEARCC' (Computers, 12 December).

You talk of non-participation by organisations like IBM, Compaq Computers, HP, Apple Computers, Unisys, etc. Do these organisations ever participate in any of the annual shows of the Computer Society of India (CSI) at all? Yet, they were there at SEARCC. Though none of these companies are from the SEARCC region, most of them have representation in India and their Indian partners were indeed present at the show.

Indian speakers highlighted the giant strides made by the country in areas of railway reservations which no other SEARCC country even dare attempt so far. India's superiority in the application areas was evident.

While organisations which have already built up their reputation continue to be featured, no mention is made of organisations that actually impressed visitors at the exhibition.

PIYUSH T. SURAIYA
Bombay

The authors reply: First, none of the major companies were there, directly or otherwise. Second, SEARCC is an international show-case, where foreign firms normally participate. During the SEARCC, they didn't. Third, none of these are expected to participate in CSI annuals, because CSI is an India-oriented event.

• Corruption unchecked

'Syndicate Bank: Under a cloud' (Corporate Report, 23 January) puts the management of the bank squarely in the dock! What is alarming is the allegation that those who have caused heavy losses to the bank through corruption and mismanagement are receiving protection and even earning promotions from the chairman and the executive director.

And worse, the finance ministry and the Reserve Bank of India are idle spectators while the small savings of the people are sucked in and misused.

M.K. JOS
Panaji

• Cream of cream

You have selected and crowned Sumant Moolgaonkar the Businessman of the Year 1988.

Moolgaonkar has qualities of the head and the heart. He has injected efficiency, quality and technical expertise not only to Telco but the entire automotive industry.

H.A. JANARDANA
The Associated Cement Companies Ltd,
Wadi

• A love affair with rice

In the article 'A Love Affair with Rice' in your magazine (Professional Profile, 17 October) the scientific profile of S.S. Nagarajan and his work done in the 'J' Farm has been brought out well.

The J Farm is doing commendable agricultural research and extention work on rice. The work is appreciated by all.

B.W.X PONNAIYA
Madras

• High expectations!

This has reference to the article on venture capital (Focus, 9 January). Sannel Engineering had approached a financial institution for venture capital assistance for research and development for textile machinery and eventually commercialisation on a large scale. The company was informed verbally that the institution expects whopping returns of 9 to 10 times of its investments in a span of 6 to 7 years.

We feel that the government should intervene and prescribe certain norms and guidelines regarding the returns, acceptable to the technocrat entrepreneur as well, who has got sufficient expertise to innovate but is unable to develop due to the inadequacy of resources.

C.B. GANJI
Managing Director
Sannel Engineering Company
Bombay

• Basic needs

With reference to the article 'Leather Exports - How to win the West' (Industry Report, 23 January) I feel there are certain basic facilities the manufacturers require in order to compete with the rest of the countries so as to boost our leather exports to Rs.2,000 crores. They are: private/government controlled tanneries to produce quality leather at prices competitive with the rest of the world; good quality fasteners, metalic snaps, buckles, etc.

I entirely agree with the concern expressed at the lack of designing facilities in the country. It is high time that we have an institution for leather designing.

A.C. MEHTA
New Delhi

• What about acumen?

Your article 'It pays to advertise' (Advertising, 23 January) was very interesting. Certainly, it pays to advertise, you increase awareness and inform about the product/services, but at what cost? Unfortunately in the entire seminar organised by the Ad Club, only such case studies have been taken up, where an enormous amount was spent on advertising and the resulting success has been totally attributed to advertising. This implies that the marketing strategies have little role to play. Ideally, cases should have been taken of shares vis-a-vis the advertising expenditure incurred on each of the two products. Similarly, an exercise for any two recent introductions should have been done for the workshop to be more meaningful.

V.S. RAGHAVAN
Madras

• More reader service

I am a regular reader of your magazine. I am very happy to see your regular features like 'Reader Service' and 'Appointments'. Why don't you give details of the employment opportunities for highly qualified and less experienced unemployed persons?

G. KRISHNA MOHAN
Vijayawada

• Costly postponement

We were dismayed to note that the submission date for SBI NRI bonds has been postponed to 15 January from its earlier date of 15 December (Business Notes, 23 January).

In order to make it within the initial deadline many of us broke our fixed deposits prematurely and incurred significant losses. We appeal to the concerned agencies to direct SBI to pay compensations.

NARAYANAN EDADAN
Riyadh

• The male of the species

In your issue dated (23 January) article on Advertising you have published a four-line piece of doggerel:

"The codfish lays 10,000 eggs,
the homely hen just one;
The codfish never cackles to tell
us what he's done;
And so we scorn the codfish, the
homely hen we prize;
Which demonstrates to you and
me that it pays to advertise."

Since when has a 'he' codfish started laying eggs?

VED P. KUMAR
New Delhi

• Good news, at last

We refer to the letter by Ka viyapria Ramamurthy: Taken for a ride? (Letters to the Editor — 6 February.)

Kindly note that the fixed de posit amount along with the up to-date interest was despatched to him on 4 January 1989, vide registered post and the regis tration no. of the letter containing the above-stated documents is 2085 dated 4 January 1989.

R.C. SINGHAL
Director — Projects
Orkay Silk Mills Limited
Bombay

• Erratum

In your piece on EID Parry (15 December 1988) the EPS has been stated to be 13 whereas it should have been 53.

RAMNATH KRISHNAN
EID Parry (India) Ltd.
Madras

• In the report on Spencer's (25 January) the caption on page 79 should read 'Spencer's head office in Madras 1896' and not 1986.

• In the Cover Feature on foreign brands (6 February) the captions under the photographs of Prbodh Agrawal and Dilip Piramal were inadvertently interchanged.

The errors are regretted.

LIKE FATHER, UNLIKE SON

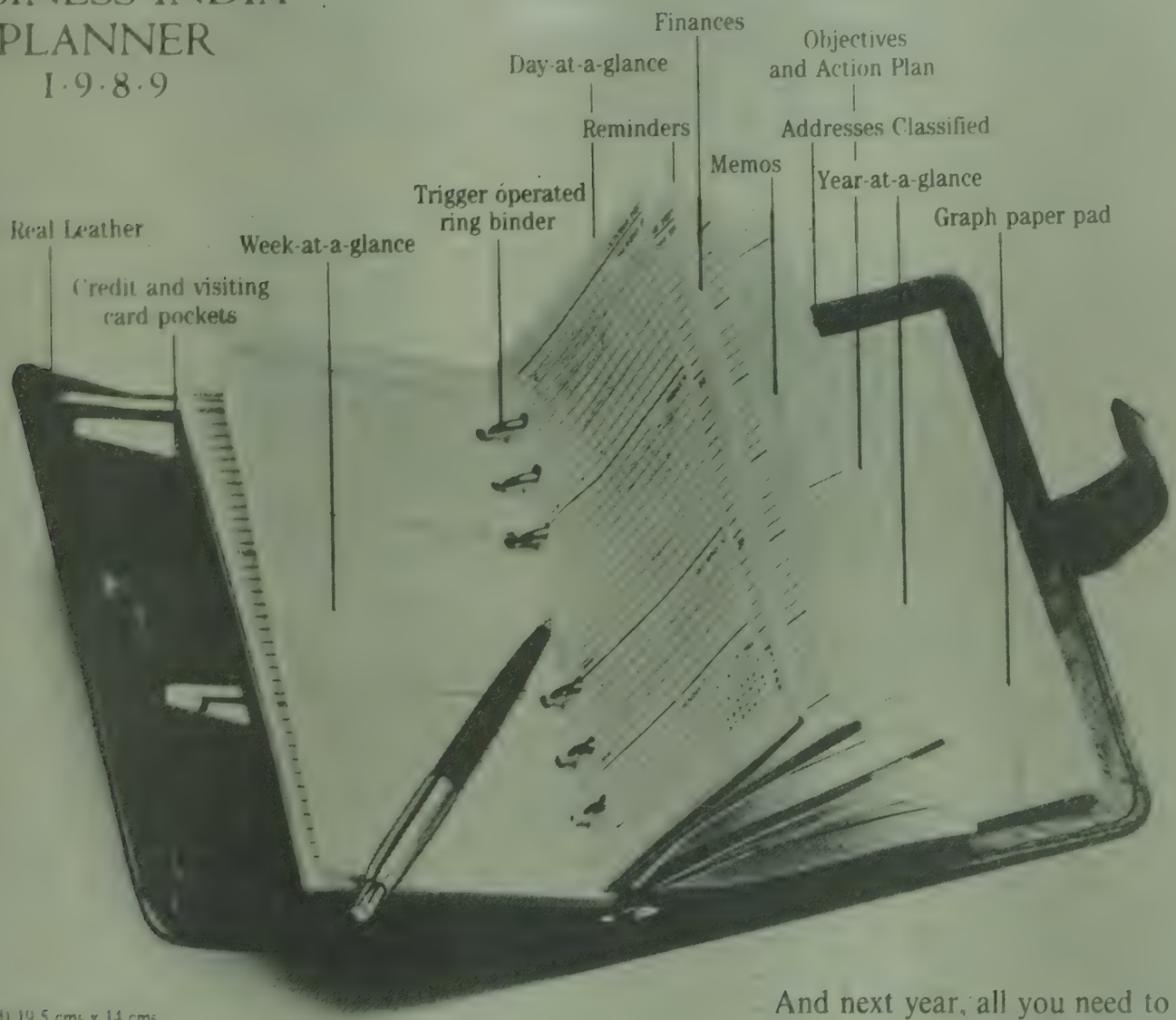
by Toran

DAD.... YOU SHOULD LET ME DRIVE... YOU'RE A HEART PATIENT!
WHAT IF SOMETHING TERRIBLE HAPPENS TO YOU ?
WHO'LL TAKE CARE OF THE COMPANY ? ME ??
ME
SAY DAD... EVER THOUGHT OF ENROLLING INTO THE HIMALAYAN CAR RALLY?!

ORGANISE YOUR LIFE

FLEXIBLE, PRACTICAL, RELIABLE, much more than just a diary
– a whole new approach to organise your life.

THE BUSINESS INDIA PLANNER
1·9·8·9



nal size (closed) 19·5 cms x 14 cms

ailable at selected outlets in major cities

And next year, all you need to do is replace the inside pages.

TE PER PLANNER:

antity ordered	Week-at-a-glance	Day Plan
Planners*	Rs. 395*	Rs. 425*
25 Planners	Rs. 370	Rs. 400
50 Planners	Rs. 360	Rs. 390
150 Planners	Rs. 350	Rs. 380
300 Planners	Rs. 340	Rs. 370

* additional special discount of Rs. 25/- is available for Business India scribers.

Rs. 20/- for postage and handling charges for each Planner

t modest additional cost of Rs. 5/- per Planner, your Company's name can be ssed, in a standard typeface, on the leather Folder

Number Ordered. _____

☐ Week-at-a-glance: _____ ☐ Day Plan: _____

Please indicate colour in order of preference. (Colour subject to availability):

☐ Black _____ ☐ Burgundy _____ ☐ Grey _____

Subscription No.: _____

Name _____

Address _____

_____

My Cheque ☐ D.D. ☐ P.O. ☐ for Rs ___ drawn in favour of the **Business India Services** + Rs. 5/- for cheques not drawn on a Bombay bank is enclosed.
Please allow 28 days for delivery

f the Coupon to **Business India Services**, Nirmal, 18th Floor, Nariman Point, Bombay 400 021 Phone 2041974, 2042253, 2024422. Telex 11 3557 BZIN IN

Branch Office: Delhi 350135, 350253 Madras: 474964 Calcutta: 448455 Bangalore: 74149 Secunderabad 825285

MDO

National controversy

A. Balasubramaniam's contribution, "When will you grow up, Mama?" in For Your Information (9 January) has triggered off a major controversy amongst *Business India* readers. We have been inundated with mail, some supporting A. Balasubramaniam's criticisms, some against them and some offering their own new theories. Here are some views:

"... While Mr Balasubramaniam watched the arithmetic in the advertisement, he forgot about the logic of life."

K. PRAKASH VENKATRAMAN
Bangalore

"...Elementary arithmetic and nutritional biochemistry does not seem to go together. In India the phenomenon of 'Catch-up growth' occurs due to the diet regimen of parts of the population, so probably, the copywriter in all good faith has been realistic (may be excessively), although his visuals seem logical..."

GIRISH NAIR
Bombay

"...If he (A. Bala) believes a child grows up after some years and may weigh more than (he does) now, why not his parents?"

R.K. PATHAM
New Delhi

"...As per figure 2, the man, now a husband loses weight to 50 kgs (thanks to inflation, the bread being divided into two after marriage)."

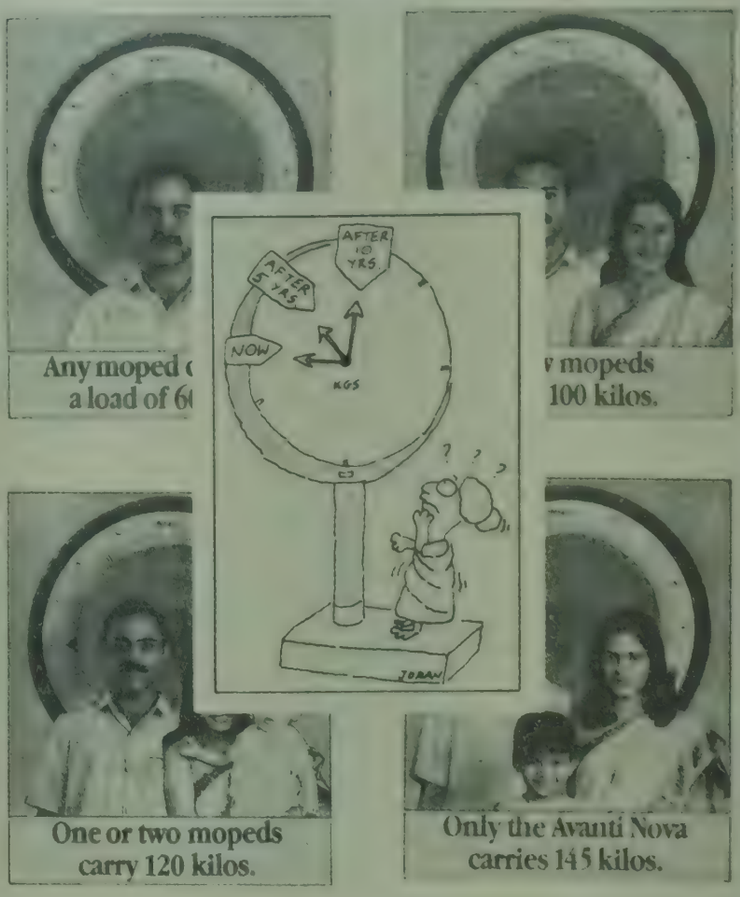
Dr SUDHIR MOHAN
Mirzapur

"...A very innovative ad, subtly puts in the details of a biological change over the years in humans..."

S. DORAI RAJAN
Ranchi

The final definite explanation comes from Christopher Rozario, Trikaya-Grey's copy chief:

"I think all said and done, the most important fact is that the Avanti Nova can carry 145 kgs. Now if one wants to go quibbling over the four frames, it is obvious that the discrepancy that A. Balasubramaniam has pointed out is because we allow for the fact that the woman has put on weight with the passage of time, possibly the husband has too, but we could go into all the combinations of mathematics. What is most important is that the Avanti Nova can carry 145 kgs." This should put all debate to rest!



Teflon turns fifty

Teflon, a substance with thousands of applications from aerospace to electronics to medicine was one of those chance discoveries.

On 6 April 1938, Roy J. Plunkett, a young researcher at Du Pont decided to investigate the results of a failed experiment he performed when he was researching refrigeration gases. Working with different compounds of "Freon" 1114, Plunkett and his assistant, Jack Rebok, found that the gas they were researching had disappeared from the cylinder, but weight was still present. He cut open the cylinder and found a white waxy substance that he identified as a polymer of tetrafluoroethylene, which is now known as Teflon.

Teflon was used exclusively by the Americans until 1946 in the highly classified Manhattan Project. The substance was the only gasket material that would contain the corrosive hexaflouride used in making Uranium — 253 for the atom bomb.

Pitfalls of translation

When General Motors (US) started marketing its cars in Belgium, it found out, much to its chagrin, that the slogan, "Body by Fisher" was translated to, "Corpse by Fisher". That was the closest one could get to the original in the Flemish language. Even worse was Pepsi's experience in Thailand. The phrase, "Come alive with Pepsi", completely baffled a Thai printer and his translation read, "Pepsi brings your ancestors back from the grave"!

P. BALI
Bombay

Cost of living among the dead

The *chowkidar* of our local municipal crematorium has received a raise in his salary. So what's the big deal? The big deal is that from a princely sum of Rs 12 per month his pay check has shot up to Rs 300 per month. The 62-year-old *chowkidar* last received a raise a few decades ago from Rs 8 to Rs 12. Looks like nobody thought the cost of living was rising around where he worked!

DURGA PRASAD PANDA
Sambalpur, Orissa

Debit the Credit

D double	C carefully
E entry	R record
B Book keeping	E expense
I invites	D delete
T taxation	I income
	T totally

S.M. SIVARAMAN
Madras

The "demonstration" effect

Morchas have been known to cause considerable inconvenience to road traffic but until recently the railways were spared the wrath of the demonstrating people but not any longer.

Western Railway has complained that *morchas* coming to Bombay from all over Maharashtra were largely responsible for the late running of trains. Participants, crammed into the trains tended to pull the alarm chain along the way. Consequently, between April and December 1988, as many

as 111 trains were affected for this reason alone.

SR
Bombay

Bull-headed Boulwarism

Boulwarism is named after Lemuel Boulware, a former vice president at General Electric Company USA, who rarely made concessions during wage negotiations. He started with what he deemed to be a fair offer, and then held firm.

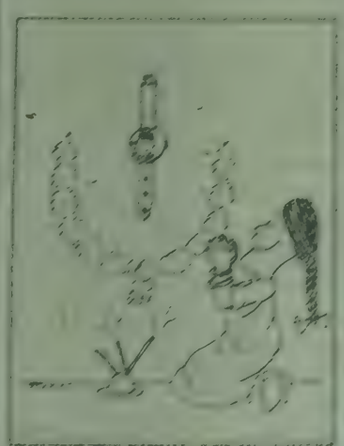
The concept of making a fair opening offer and then holding firm has come to be called Boulwarism. The point is what is fair for one may not be fair for the other — and hence more often than not this form of negotiation ends up with no settlement.

VENKATARAMAN
Bangalore

Business India invites readers to send original, unpublished contributions to this page. The snippets can be humorous, insightful, courageous or simply, informative. Each snippet must carry this caption.

Godsell

HMT has hit upon a novel idea to boost its watch sales. Its retail centre at Tirumala, the abode of Lord Venkateswara, has started selling wrist watches with multicolour pictures of the good lord. Ladies' wrist watches have a picture of his



consort Sri Padmavati. These religious watch models are priced at Rs 400 and Rs 300 respectively. *Darshan* at the flick of a wrist, you could call it. What with devotees rushing to Tirumala all year long, HMT simply cannot go wrong with this marketing gimmick.

J.R. WILLIAM
Madras

A question of ethics

An international survey presents some interesting insights into the way corporate management views what is and what is not an ethical issue. Not surprisingly, issues that would tend to directly and publicly damage the corporation were widely regarded as ethical issues. These issues include — inappropriate gifts to corporate personnel, sexual harassment, unauthorised payments, employee privacy and environmental issues.

On the other hand, issues that rated very low on ethics from the respondents included workplace safety, advertising content, product safety standards, corporate contributions, plant facilities closures and downsizing, social issues raised by religious organisations, product pricing and executive salaries!

SR GUPTA
New Delhi

Rats on board

Along with all the paraphernalia that accompanies high level delegations overseas, a couple of rats decided to jump onto the diplomatic bandwagon. Squeaking past the ever alert security, the rats managed to eat up all the wiring under the cockpit of a VVIP Air India plane heading for Beijing. The rats have repeated this act several times in the past two years, much to the consternation of the officials concerned. One solution may be to include a couple of cats on the passenger list. They might be more effective than rat traps.

A.P. THIRUVAIJI
Madras

Confidence, in short

What does LIC stand for? Life Insurance Corporation, of course. But an enterprising local insurance

agent in Mangalore prefers to expand it to "LIVE IN CONFIDENCE". His stationery and complimentary diaries also bear this legend.

MICHEAL R. PATRAO
Mangalore

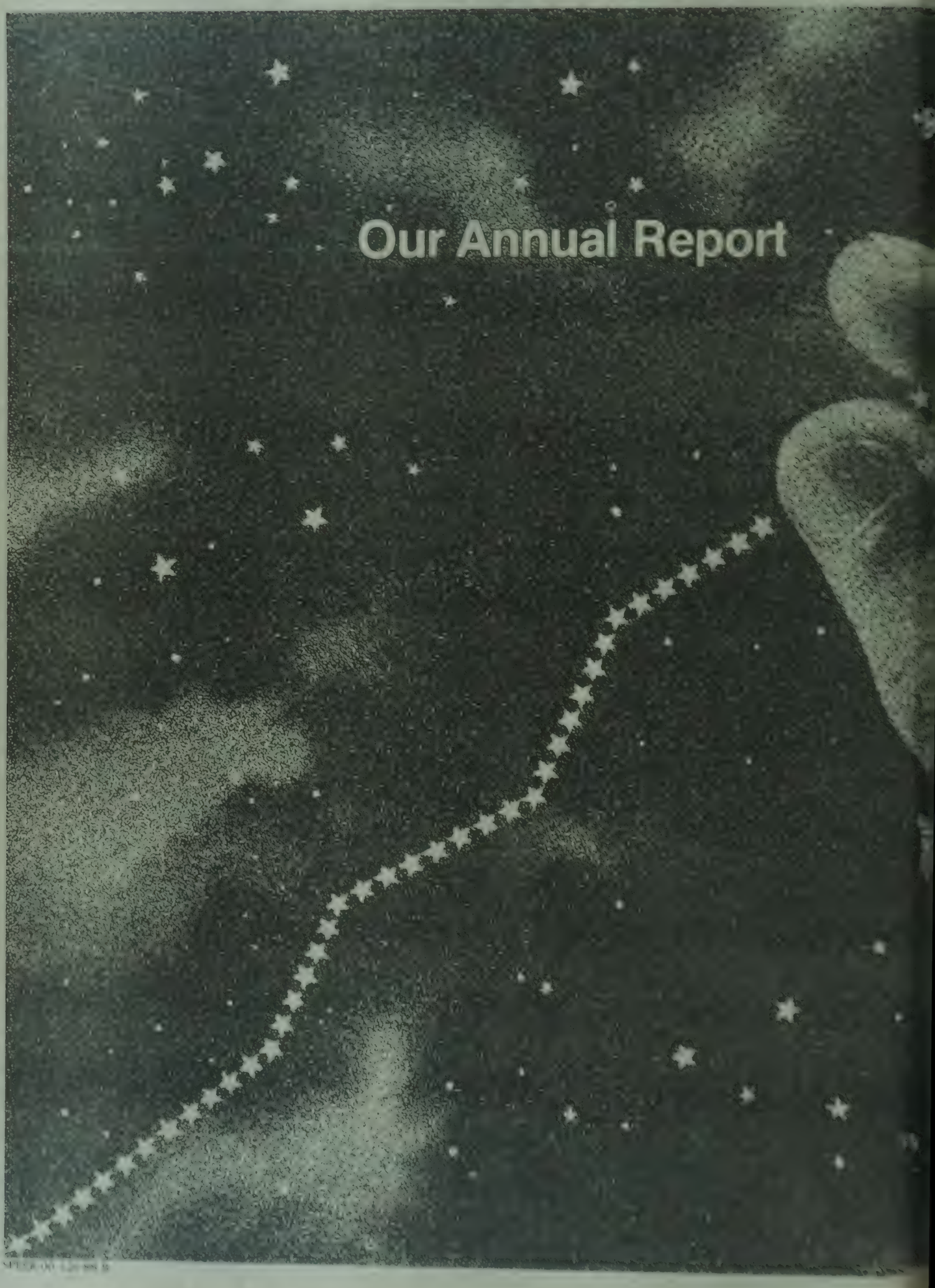
Sickness for sale

For Rajasthan Industrial Development and Investment Corporation (RIICO), 1989 is the year of industrial health. And that means getting rid of all industrial units which are sick. RIICO has given itself the target of selling 21 sick units to new investors and entrepreneurs.

Not very different from the weekly markets at all major villages in rural India, RIICO has organised an "open market" every Monday at the premises of Udyog Bhavan.

So far one process house and a paper mill have been sold. Other projects being sold include granite and marble cutting units, a gelatine capsule plant and an electronic project.

P.K. PATNAIK
Alwar, Rajasthan


Our Annual Report

Twenty-two firsts in 25 years.

It happens when you bring the country the very latest in Power Engineering technology. Long before anyone else

It happens when you reach for the stars. Make impossible dreams come true

Take our sales performance. Turnover has more than doubled over the past four years. Increasing by 22.8% this year alone. To reach Rs. 124.8 crores. Result? A higher dividend. An improvement of our own excellent track record

Take our Electronics Division. One of the fastest growing in the country Manufacturing technologically advanced Process Control systems and Telecommunication equipment. And the latest generation EPABXs

Take the three new companies we are promoting. *National Switchgears Limited.* For the manufacture of switchgears *Integra Hindustan Control Limited* for railway signalling switchgear and systems. And *Gujarat Prime Movers Limited* for industrial steam turbines

Take the fact that we are a member of the world's largest Electro-technical Group: Asea Brown Boveri with a turnover of Rs. 23000 crores and a presence in 140 countries

And take the fact that the HBB – ASEA merger will lead to accelerated growth. Supported by over 4000 employees, 4 R&D centres, 13 marketing offices and 6 manufacturing locations

And it won't surprise you that we plan to keep working and strengthening our group. With a determination that has made something rather delightful happen

The stars aren't that unreachable anymore. Every now and then we reach out. And pluck one.

Hindustan Brown Boveri Ltd.

A member of the Asea Brown Boveri group

The power to make tomorrow brighter.

Hindustan Brown Boveri Ltd
Brown Boveri House,
264/265, Dr. A. Besant Road,
Worli, Bombay 400 025

ABB
ASEA BROWN BOVERI

FOR OVER 50 YEARS PEOPLE HAVE BEEN BUYING EVEREST ROOFING SHEETS FOR ONLY ONE REASON.

PEACE OF MIND.

An assurance that's inherent in our quality and service. Making every rupee you spend on your roofing, well spent.

No confusion. At the very start the technical service team recommends the right sheet and accessories. Helps in design and installation. Absolutely free.

No running around. Everest has the largest range of fibre cement products, for a complete roofing system. A nation-wide distribution network for instant delivery.
And a team of consultants for your specific design problems.

No doubts, either. Everest is the only name that is proven over 50 years.
With a "no compromise" policy that begins at the R&D Centre.
A specially developed fibre orientation technology that ensures unmatched strength and durability.
And testing standards higher than even ISI.

No wonder then, people at Godrej, Bajaj Auto, Goodyear, L&T, Kinetic Honda — the list is endless — prefer Everest.

People who have enough on their minds already.

EVEREST
FIBRE CEMENT PRODUCTS
50 YEARS WITHOUT COMPROMISE.

For discussions, contact Everest Building Products Limited, 'Ashok Bhawan', 93, Nehru Place, New Delhi – 110 019. Tel : 643 2568, 643 2587

Oswal's huge appetite

Bi-market circles expect the Rs.300 ...e rights issue of Oswal Agro Mills that ...ned last week to be handsomely over-...scribed. The bankers to the issue had ...hard time coping with the flood of ...plications in the last few days.

Some merchant bankers involved with ...e issue say that the State Bank of India, ...ahalmal Bank, Citibank and Hongkong ...nk chipped in Rs.15 crores and the ...stitutions another Rs.56 crores. Some ...anks are also believed to have bought ...unication forms at a premium from ...e market, though the quantity is re-...ported not too large.

But Oswal's appetite is apparently not ...atisfied. Two more large issues have ...en planned in the next few months. ...swal Agro Furane is expected to come ...t with a Rs.145 crore issue after a cou-...e of months and later Bindal Agro with ...Rs.300 crore mega issue. What precise ...rojects these companies will set up ...uld not be ascertained. But clearly, the ...wal group seems to be keen to strike ...ile the iron is hot.

No to naphtha?

...e grapevine has it that the Abid Hus-...in Committee on petrochemicals has ...cided that no more naphtha-based ...ackers should be allowed to be set up ...ce naphtha supplies are scarce. In-...ad the government should encourage ...e setting up of gas-based crackers.

...f this advice is heeded, then Vijay Mal ...'s bid for a naphtha-based cracker at ...akhapatnam may not see the light of ...y. But R.P. Goenka's 100 per cent ex-...rt oriented cracker in collaboration ...h Zinde of West Germany will not be ...ected since this unit will import its ...phtha requirements.

...ndustry insiders say that the country ...st go in for naphtha rather than gas ...ckers even if naphtha has to be impor-... — it is a richer raw material with a ...er range of extractable petrochemical ...

...humbs down for ...ssar?

...ording to knowledgeable sources, Es-...s proposed 100 per cent export ori...ed unit to be located at Hazira in Gujarat will not get the government's go ahead.

This unit was to be set up at a cost of Rs.947 crores to manufacture 800,000 tonnes of steel a year. The marketing overseas was to be looked after by Voest Alpine of Austria.

Apparently, the petroleum ministry feels that natural gas is in short supply and cannot be given at international prices to EOUs. Steel too is scarce and so the government thinks it may not be advisable to export it.

Also, Essar's bid for downstream plastic manufacture at Auriya in UP is unlikely to be successful. With the Gas Authority of India Ltd and the Indian Petrochemicals Corporation Ltd joining hands to set up an integrated gas cracker with downstream units, all private sector applicants are said to be out of the reckoning.

Foreign lines are making counter moves

India ahoy!

The government's vigorous efforts to increase the share of Indian lines in the carriage of national and international sea-borne cargo by revitalising the Indian shipping industry has prompted counter moves from foreign lines.

The Italian Andrea Merzario and the British Contship Containerlines have joined hands to strengthen their Indian operations. Larger and faster container ships will be deployed by their joint service. Taiwan's Evergreen Marine Corporation is also planning to link Bombay, Cochin, Calcutta and Madras to its highly successful, round-the-world service with weekly sailings, using Colombo instead of Singapore as a transhipment centre. This will dramatically reduce transit times for cargo traffic between India and the Mid-dle East, Europe, and USA.

Among the others who are planning to cover Indian ports are Ben Line of the UK, Senator Line of West Germany, and the Hong Kong-based Norasia Lines. Foreign lines, who already carry about 62 per cent of India's sea-borne cargo traffic, obviously see enough scope to further increase their market shares.

The works, under one roof

Usha Rectifier Corporation Ltd, a Rs.45-crore Delhi-based company, has chalked out a huge plan to produce almost all television components (B&W as well as colour) under one roof.

It is setting up a Rs.100-crore electronic component manufacturing complex at Bhimtal near Nainital in UP. The first phase of the project is almost complete and will soon become operational. The company also has plans to manufacture components for personal computers. Once fully operational, this electronic complex will probably be the country's largest.

Beer is not booze

There are indications that the ban on advertising of beer manufactured by non-MRTP companies may be lifted. An announcement in this connection is likely to be made this month.

It was during the seventies that the ...ar government imposed the ban on advertising of alcohol. Admen had argued then that beer was not alcohol. Anyway, now that beer has been brought under the ministry of food processing industries, it looks like the government no ...nger thinks of it as booze.

GOVERNMENT

Public sector outlay

The annual plan for 1988-89 has envisaged a total public sector outlay of Rs.49,817.83 crores. Of this, Rs.28,714.63 will be from the central government and Rs.20,333.19 from the states.

More than two-thirds of the total outlay has been allocated for energy, transport, agriculture and communication. Domestic resources will finance 76.3 per cent of the total outlay. Funds from abroad will account for 8.7 per cent. The remaining 15 per cent will be met through deficit financing.

ONGC's outlay

The plan outlay for Oil and Natural Gas Commission (ONGC) for the next financial year has been raised by 10 per cent to Rs.2,345 crores. The outlay for 1988-89 was Rs.2,121 crores.

This means ONGC will have to raise its internal resources and borrowings as ONGC does not get budgetary support. With the increase in outlay, ONGC will aim at a total crude and gas production of 40.25 million tonnes. Also, ONGC's production of liquified petroleum gas (LPG) is targeted to go up from 595,000 tonnes in 1988-89 to 600,000 tonnes next year.

Australian assistance

Australia will give India development assistance of Australian $35 million. Australia will also sign three agreements on co-operation in railways, telecommunications and meteorology. Efforts are on to avoid double taxation. The Steel Authority of India has awarded a $5 million contract to an Australian joint venture.

Energy savers

The government will assist the hotel industry in the country to import sophisticated energy saving devices. An average five star hotel in Delhi consumes 100,000 units of electricity, 1,000 kg of furnace oil and 2,000 litres of LPG worth Rs.2 crores per annum.

Locomotive retired

About 2,000 steam locomotives have been phased out ahead of schedule. This was done to bring down fuel consumption — about 2.25 million tonnes of coal would be saved in the Eighth Plan. The staff will be retrained on the new technology.

Acid imports

The government is shortly expected to clear the import of phosphatic acid for the use by phosphatic fertiliser manufacturers. The first shipment is expected in March. The imports are being approved amidst reports of gradual closure of phosphatic fertiliser units for want of the acid. Even now, most units remain closed for periods ranging between 15 to 45 days depending on availability and arrival of stocks. The price approved for imported phosphoric acid is $480 per tonne of 100 per cent P2O5.

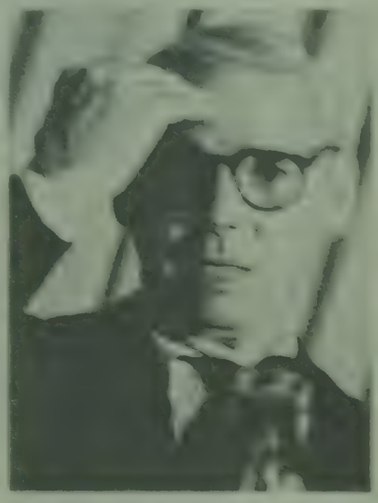
The imports are being cleared after intensive lobbying by top executives of some of the most affected manufacturers.

Mill land

The government of Maharashtra has finally made up its mind to allow textile mills to sell their surplus land. Mill owners have already received the green signal. The textile workers' unions, led by Datta Samant, and the communists have opposed the sale. They are preparing for a mass agitation. The state government's decision, however, will take time to be worked out since each mill's case will have to be studied separately, among other things.

UCC boss rapped

The former chairman of the multinational Union Carbide Corporation (UCC), Warner



Anderson, has been declared absconder by the chief judicial magistrate of Bhopal, R.C. Mishra.

Indian companies to enter EEC

Indian companies are likely to be allowed to buy into small medium sized European firms. This is being done to face up to the challenges thrown up by the single European community market scheduled to be operational by 1992. The government is expected to give concrete shape to this idea.

Housing loans

Lending by commercial banks to the housing sector will be increased to Rs.300 crores per annum by the end of the Seventh Plan. The government has decided to provide dwelling units to 40 million families by the year 2001. Apart from concessional finance, various fiscal incentives are also being provided to boost housing and construction activity.

Housing for workers

The Centre has approved a group housing scheme for beedi and mine workers. The scheme is applicable to workers [illegible] by various labour welfare [illegible]. The government will also [illegible] tion a loan of Rs.4,000 [illegible] house for mine workers [illegible] Rs.6,000 for beedi workers [illegible] subsidy of Rs.1,000 for [illegible] types of workers will also [illegible] sanctioned.

ECONOMY

SSI units

A survey conducted by the [illegible] Federation of Engineering [illegible] Cluster (CEC) has found out [illegible] dynamic shift in the status [illegible] The small scale engineering [illegible] country in the near future. [illegible] study of 75 engineering [illegible] parties predicts only a slight [illegible] provement in business [illegible] The majority of respondents [illegible] (24 per cent) said lack of orders was responsible for low [illegible] The other factors were lack [illegible] erratic power shortage and [illegible] adequate materials and components.

Oilseeds exports

Japan may buy oilseeds [illegible] India this year, following [illegible] faults in shipments from China. Japan is the largest importer [illegible] sesame seeds in the world with purchases amounting to 100,000 tonnes every year and about 80 per cent of this comes from China. But, with China [illegible] faulting, Japan has decided to look for other sources. China is facing problems with agricultural production and increasing domestic consumption. It may even have to import vegetable oils this year.

US trade

The United States exported hi-tech worth $526 million [illegible] year as against only $300 million in 1987. This is an indication of the US's growing readiness to transfer high [illegible] to India. Indo-US trade has registered a 37 per cent increase [illegible] the first 11 months of last year. Indo-US trade reached $4.7 billion in 1987 — an increase of 4.7 per cent over 1986.

Tax relief sought

The Bihar Industries Association has submitted a pre budget memorandum to the union finance minister, S.B. Chavan. The association has demanded reduction in the slabs of minimum and maximum direct taxation, increase in the exemption limits of net taxable profits, abolition of double taxation and reduction in central excise duties for extremely backward regions.

Banks tie-up

Foreign banks may have to set up joint ventures with Indian banks in order to diversify into new areas like leasing and factoring services. The policy guidelines for this are being finalised by the finance ministry in consultation with the Reserve Bank of India. This scheme will enable foreign banks to enter into previously restricted areas. At the same time, Indian banks will not be threatened by competition. They will be able to take advantage of their foreign partners' expertise.

States' export

The Union commerce ministry is working out a scheme to measure" the export promotion efforts of state governments. The idea is to share earnings from exports with the states. The scheme will involve drawing up a performance index for states on the basis of facilities provided such as control reliefs as well as disincentives such as taxation. There has been a tendency among the states to neglect exports as they did not benefit directly

Rouble convertibility

The first step towards convertibility of the rouble will be taken in January next year and a 100 per cent extra will be paid to the holder of convertible currency during exchange. "However, before the rate of the rouble can be changed, the pricing reform has to be completed," said Igor Khotsialov, a senior official at the State Foreign Economic Commission of the Soviet Council of Ministers.

According to him, the recent resolution to simplify joint venture restrictions and foreign share will now be determined by the partners. A foreign citizen can become chairman of the board or general director of the enterprise. The board is free to decide whom to employ or dismiss and the wages to pay. Besides, there will be only minimal or zero duty on goods imported for joint venture production.

CORPORATE

AI profits

Air India has made an estimated net profit of Rs.11 crore as against the budgeted loss of Rs.6.34 crore during April-December 1988. Indian Airlines, which leased aircraft to meet capacity shortage, has earned a pre tax profit of Rs.35.31 crore during April December 1988. *Vayudoot*, covering 90 stations, has registered a growth rate of 20 per cent per month in terms of courier revenue.

Bonus shares

Canbank Mutual Fund has received a clarification from the government on whether it was entitled to issue bonus shares in the first year of operation. There had been a slight controversy on the criteria for the issue of bonus shares by mutual funds. The government has classified that the fund does not fall under the Capital Control Regulation Act.

Big order for ABL

ACC Babcock Ltd (ABL), the country's sole power boiler manufacturer in the private sector has bagged a Rs.100 crore order for the Sanjay Gandhi Thermal Power Station in Madhya Pradesh. ABL will be supplying two 210 mw units. The order will help ABL's position — on resuming operations in July 1988 after a shutdown of 20 months, ABL suffered from a lack of orders.

Petrochem projects

Bennet, Coleman & Co Ltd, proprietors of the Times of India group of publications, has sought letters of intent to set up three projects to manufacture alpha olefins, high density polyethylene (HDPE), linear low density polyethylene (LLDPE) and acrylic staple fibre. The projects will cost more than Rs.400 crores.

Godrej proposal

The prime minister Rajiv Gandhi has approved a proposal put forward by J.N. Godrej to set up a 100-acre-industrial exhibition complex in north Bombay. Godrej felt that a permanent site was necessary for holding exhibitions such as IMTEX-89. He said that the vacant land adjoining the factory premises could be used.

IFC loans

The International Finance Corporation (IFC) has announced two loans for India. The Gujarat State Fertilisers Corporation has been given a $28 million loan to finance the construction of its $280 million caprolactum plant. Titan Watches Ltd has been given $6.3 million to build a plant for manufacturing 1.5 million watch cases

Software exports

Taking a cue from Texas Instruments, another satellite based software export unit will be coming up in Bangalore. The new project will be promoted by Digital Equipment (India) Ltd, a joint venture company launched by Digital Corporation of the US and Hinditron. The software exports would be routed through Madras and finally go to Hong Kong. It will be operational in April this year.

MUL sales

The annual sales turnover of Maruti Udyog Ltd (MUL) is expected to touch Rs.1,000 crores

during the current year. Last year, it was Rs.766.50 crores. The number of Maruti vehicles on the road in the country is 333,000 — about 65 per cent of the market.

Luxury cars

The Mahindras are planning to diversify from making jeeps to luxury cars. They hope to introduce a station wagon in the near future. The company has a collaboration with Peugeot of France for a quality diesel engine. The station wagon, which will be competing with the Tata Estate, could cost around Rs.1.8 lakhs. The company is hoping to churn out 5,000 vehicles annually.

Unit gutted

The production wing of the public sector Semi Conductor Complex Ltd (SCL) was gutted in a major fire. The unit based at

Mohali in Punjab, has suffered damage and loss worth several cores of rupees. The unit produces large scale and very large scale printed circuits and computers. It will take at least one and a half years to recreate the facility.

Standard Motors

With effect from 7 February, the Madras-based Standard Motor Products of India (SMPI) suspended operations. Although there has been practically no work at the factory in the last few months, this step by the management has come as a shock to the employees. The management has defended its action as necessary to protect the company's properties and the lives of senior executives.

The management under A.C. Muthiah is keen on settling the issue of laying off a number of the 3,000-strong labour force before any other steps are taken to revive the company. The union wants to discuss this issue only after the wages of the last six months (including January) are settled. The wage bill amounts to almost Rs.30 lakhs per month. The state government, under President's rule had been trying to find a way out of this impasse. Now, the situation at SMPI is likely to turn out to be one of the first headaches of the new Karunanidhi government.

During the suspension of operations (for which no prior permission from the state government is necessary), the company does not have to pay wages. Although this is likely to strain labour relations further, Muthiah obviously wants to force the issue to reach some decisions. Apart from the labour problems, no action of any sort is expected before the publication of the viability report by the IDBI, commissioned by the BIFR.

BIFR raps Nirlon

The Board for Industrial and Financial Reconstruction (BIFR) has brought to light mismanagement and financial irregularities by the former management of Nirlon Synthetic Fibres and Chemicals Ltd.

The 30-year-old Bombay-based company, which makes nylon, polyester and tyre cord, had accumulated losses amounting to Rs.36.33 crores in September 1987. Its net worth was Rs.24.88 crore. The figures for 1986-87 prompted BIFR to declare the company sick.

INDUSTRY

Environment guidelines

The environment and forest ministry has prepared guidelines and questionnaires for environment clearance of projects in six major sectors — river valley projects, thermal power projects, mining projects, industries, shipping and harbour projects and development of beaches. The guidelines deal with the environmental aspect that have to be considered while planning and implementing developmental projects. The questionnaires will provide information on the environmental impact of projects.

Ore exports

China has agreed to buy 250,000 tonnes of iron ore from India at a price higher than last year's. This is the first time in five years that iron ore prices are expected to cut the losses in ore exports. In 1986-87 the country lost around Rs.20 crores on iron ore exports. These losses are expected to go up to Rs.50 crores during the current fiscal year.

Poor exports

A study of the export performance of 370 private sector giants (with a turnover of more than Rs.30 crores each) reveals a neglect of export activity. The study was conducted by the Federation of Indian Export Organisation. The groups studied include the Tatas, Birlas, JK, Bajaj, Shriram, Mafatlal, Mahindra, Kirloskar, Walchand and Escorts.

Training programme

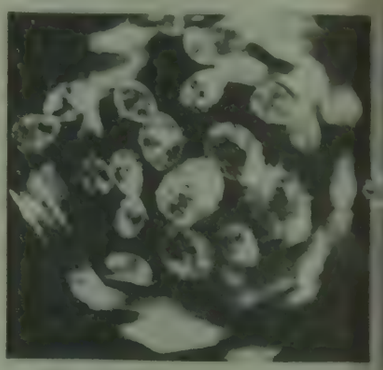
The sixth training programme in biscuit manufacture, the only one of its kind in the country, came to an end on 6 February 1989. The training programme, organised by FBMI (Federation of Biscuit Manufacturers of India), in collaboration with US Wheat Associates and Britania Industries Ltd (BIL), was to import technical and marketing expertise for the production of quality biscuits to small scale entrepreneurs. The training programme, which was attended by BIL managing director, S.K. Alagh, L.R. Kandhari of US Wheat Associates, and S.P. Chauhan of Parle, who is the president of FBMI, amongst others, covered a wide range of subjects. These included the choice of appropriate raw materials, manufacturing techniques to food regulations, product development, excise laws and marketing strategies.

Canada invites MMTC

Canada has invited the Minerals and Metals Trading Corporation (MMTC) to participate in the equity of its biggest mining company, the Potash Corporation of Saskatchewan (PCS). MMTC has been offered 20 per cent of PCS's equity, worth about Canadian $200 million, and a tax holiday on the investment. PCS meets 80 per cent of the US potash requirements. MMTC is also negotiating for participation in another mining venture in the Manitoba state of Canada.

Diamond cutting

The Diamond Trading Company (DTC) of London, which is the single largest supplier of rough diamonds to the diamond industry worldwide, will be offering advanced cutting techniques and tools to the Indian industry. This is in line



with the DTC's policy of developing promising diamond cutting centres all over the world. Details will be finalised after talks with Indian units. India is the largest exporter of art and polished diamonds in the world with estimated exports of over Rs.4,000 crores this year.

Jute exports

The government has extended the internal market assistance scheme (IMA) for the organised jute sector to the manufacture of products for export markets as well. The rate of assistance will be at 10 per cent for a period of three years. However, the items eligible for support under the CCS will not get subsidy under this scheme.

Increased advertising

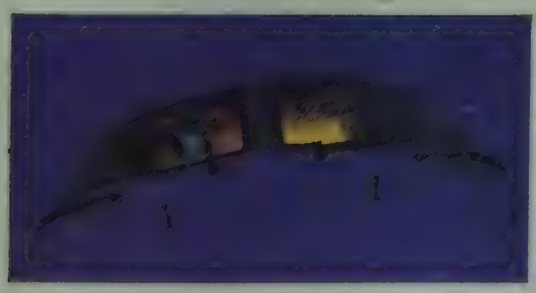
The amount spent on advertising in the press has crossed Rs.700 crores, according to a report by the Operations Research Group (ORG). There has been an increase of 16.6 per cent over last year. Consumer advertising has increased by 22 per cent but industrial, entertainment and legal notices have decreased marginally. The rise

THE FINE ART OF FLYING

by Kolar.

«Je suis la Beauté - Paris». When we asked the Czechoslovakian artist, Kolar, to interpret The Fine Art of Flying he responded with his famous, multi-image collage technique. "Paris", he reflected, "is a love affair with a fascinating woman - she will open many worlds to you and yet always draw you back". Air France leaves Paris for the world more than 150 times every day. And every flight is a love affair.

Connections make the world go round.



THE FINE ART OF FLYING

AIR FRANCE

6, Scindia House, Janpath, New Delhi 110 001 Phone: 3312853

Maker Chamber VI, First Floor, 220, Nariman Point, Bombay 400 021 Phone: 2024818

advertised consumer products and services, in terms of expenditure, were television sets, textiles and garments, newspapers and magazines, educational opportunities and housing and real estate.

LABOUR

Policy unchanged

The Madhya Pradesh cabinet has decided to fully implement the tendu leaf policy announced earlier. The cabinet stressed the need to counter misleading propaganda on this subject.

IOC strike certain

The strike by 30,000 employees of the Indian Oil Corporation scheduled for February 14 will be carried out, according to Raja Kulkarni, president of the INTUC-led National Federation of Petroleum Workers. According to him there are no favourable reasons for withdrawing the strike.

Union talks fail

The trade unions at the Rishra factory of the Hindustan National Glass have failed to reach a consensus. As a result, the chances of reopening the plant, which has been under lockout since June 1987, have dimmed. The four trade unions, AITUC, CITU, UTUC (LS) and NFITU were expected to reach a consensus on the management's plans of rationalisation and redeployment of workers.

Wage hike

Nearly 500,000 beedi workers in the Nizamabad, Medak, Adilabad and Warangal districts of Andhra Pradesh will get higher wages with effect from 1 January 1989. The AP Beedi and Cigar Workers Federation has said that the wages for rolling 1,000 beedies have been increased by Rs.1.90 — taking it to Rs.12.50 in cities and Rs.12.20 in villages.

Indefinite strike

All workers in the public sector will go on an indefinite strike if the wage negotiations for certain industries are not concluded satisfactorily. The Committee of Public Sector Trade Unions has said that it will announce the date of the strike if there are any further delays in the negotiations scheduled for early February.

Workers stir

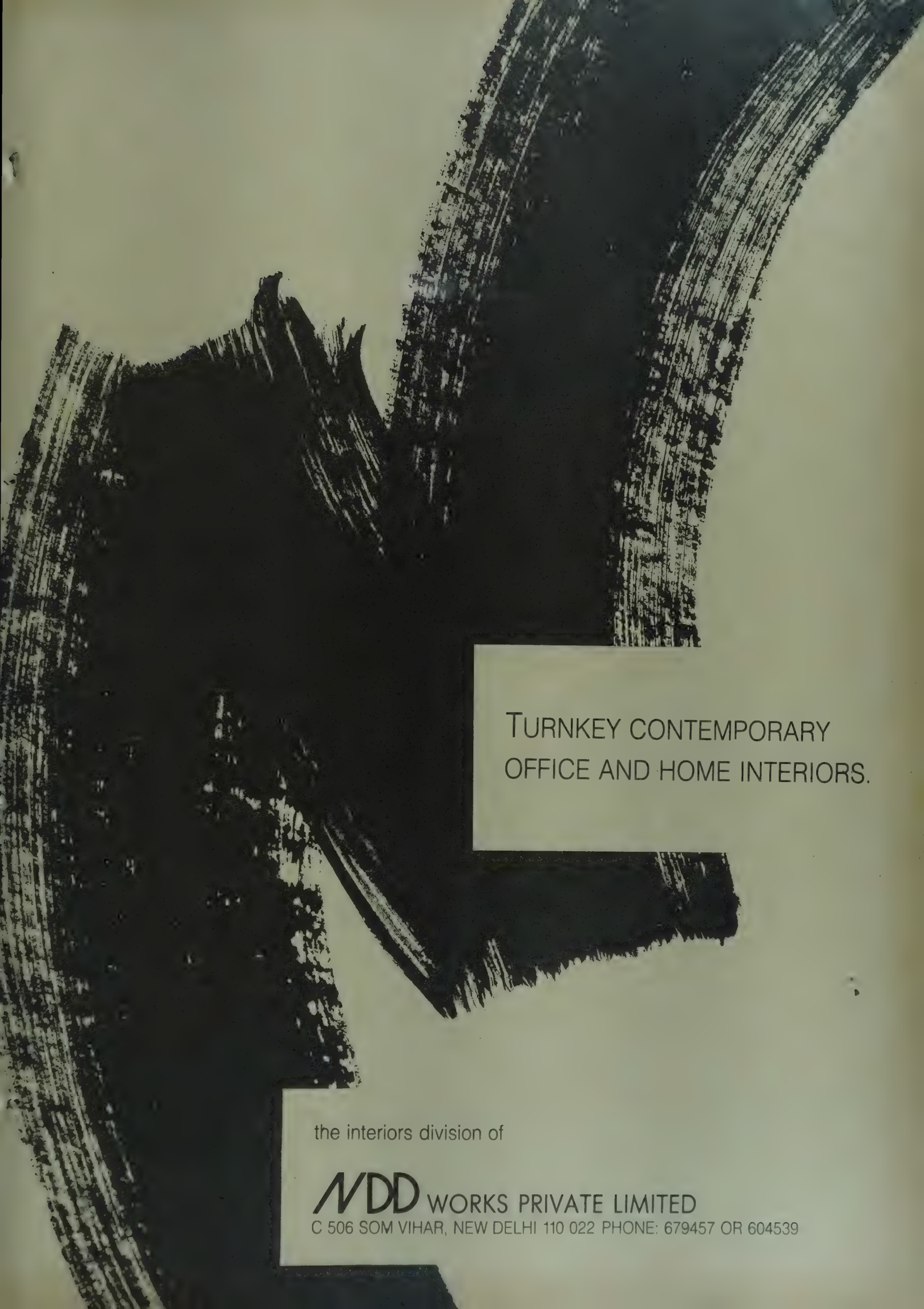
The third wage board for the sugar industry has submitted its recommendations to the government. These have been rejected by the national sugar workers committee, which has called for an all-India one-day strike on 15 February. According to Bhanu Phatak, the workers' representative on the wage board, the minimum wage will increase by only Rs.40 a month.

Foreign recruitment

The Union government has restricted recruitment of Indian marine officers for manning foreign vessels. The Director General of Shipping has said that foreign shipowners or their agents will have to take permission prior to taking on Indian personnel. This is to check the exodus of marine officers from local jobs which has resulted in an acute shortage of qualified persons. Sources have it that the Scindia Steam Navigation Co, which reopened recently, was forced to charter out its vessels as it could not get senior officers to run them.

DIARY

DATE	SUBJECT	ORGANISER	VENUE
20-22 February	**Intermodal Expo '89**	Fairplay Exposition Group, 26 Ratna Jyoti Industrial Estate, Irla Lane, Vile Parle (E), Bombay 400056 (Tel: 6348016/6367033)	Taj Mahal Hotel, Bombay
21 February	**Selection and Retention of High Calibre Professionals**	Mantec Consultants Pvt Ltd, Post Bag 33, New Delhi 110 019 (Tel: 632435/637023)	Ashok Hotel, New Delhi
22 February	**Small Scale Industries Convention**	Bombay Management Association, 9 Podla House, Netaji Subash Road, Bombay	Hotel Oberoi Towers, Bombay
23-25 February	**Emerging Management Consultancy Needs in the Asia-Pacific Region**	Management Consultants' Association of India, Express Towers, 11th Floor, Nariman Point, Bombay 400021 (Tel: 2022427)	New Delhi
24-25 February	**Efficient Use of Electrical Power**	Institute of Energy Management, 20 Oak Shade, Deonar Baug, Bombay 400088	Hotel Oberoi Towers, Bombay
24-25 February	**EXPORAGE — 89**	M.B.A. Programme Centre, University of Poona, Ganeshkhund, Pune 411007 (Tel: 56067)	Hotel Oberoi Towers, Bombay
24-25 February	**MACOSTAN '89**	Bureau of Indian Standards, Manak Bhawan, 9 Bahadur Shah Zafar Marg, New Delhi 110002	Bombay
26 February	**Today's Marketing Scenario — Emerging Trends**	Institute of Management & Entrepreneurship Development, University of Poona, Erandwane, Pune 411038 (Tel: 431060)	New Kenilworth, Bhubaneshwar


TURNKEY CONTEMPORARY
OFFICE AND HOME INTERIORS.
the interiors division of
NDD WORKS PRIVATE LIMITED
C 506 SOM VIHAR, NEW DELHI 110 022 PHONE: 679457 OR 604539

CARBON COPIES?

Take our word for it.

Unlike predictable look-alike rooms elsewhere, you won't find any carbon copies in the grand Taj Mahal Hotel.

Like the one featured here, each room is enchantingly different in decor. Each, recently refurbished by designers of international standards and inspirations. Each, inviting your presence.

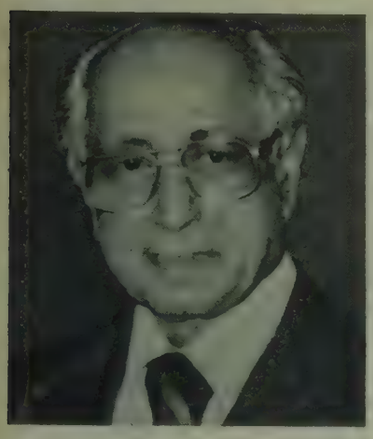
What you finally settle for, is of course, your own choice.

THE TAJ MAHAL INTER•CONTINENTAL BOMBAY

THE TAJ GROUP OF HOTELS

H.C. KOTHARI

With the laying of the foundation stone for its 5000 tpa polybutenes complex at Manali, Kothari Sugars and Chemicals Ltd (KSCL), flagship company of the H.C. Kothari, chairman, the polybutenes plant is scheduled to go into production in March 1990. Kothari is hopeful about preponing the date of comissioning. KSCL has tied up the finance and firmed up technology assistance from the Petrofina group of companies, USA. The project cost of Rs.18.45 crores will be funded through a mixture of internal accruals, assistance from all India financial institutions and an increase in KSCL's equity from Rs.1.60 crores to Rs.4 crores, through a rights issue tentatively scheduled for March 1989.



In addition, KSCL will integrate a maleic anhydride plant using butane rich feedstock from the Madras Refineries Limited, at an estimated cost of Rs.30 crores. "This will go into production a year later (ie 1991)," says Kothari, who is in the process of firming up the finances and the technology transfer arrangements for this project.

C.S. RAM

"Microprocessor based alarm systems are a relatively new concept in India. A large potential market exists for security products such as burglar and fire alarm systems," observes

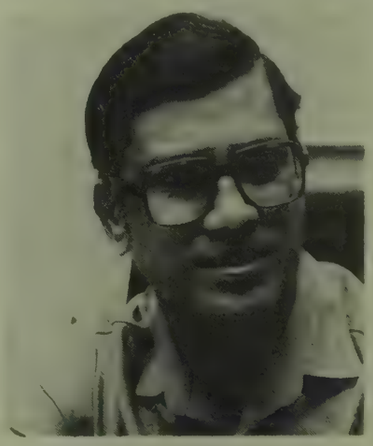
C.S. Ram, managing director, Wels Secutrons Pvt Ltd (WSPL), which will manufacture these systems with technical support from Ademco, a division of the Pittway Corporation Inc (USA). "Though WSPL has been in the security services business since 1959, this is its first foray into manufacturing," he explains.

Trial production has commenced at its Adayar unit, which was set up two years ago. "A part of the manufacturing activity will be located at a new plant to be set up at Perungudi scheduled to become operational by September," reveals Ram. The investment involved is Rs.60 lakhs. "WSPL may go in for a public issue towards the end of the year, to facilitate Ademco's participation in the equity," he adds.

WSPL will currently manufacture only 85 products out of Ademco's range of 2000 products. "It has already entered the market with 30 such products which have been modified to suit Indian conditions." Products will be marketed under the brand name Wels Ademco through a regular network of distributors.

M. GOPALAKRISHNAN

M. Gopalakrishnan, executive director, Indian Bank walked away with the award for "the PR Man of the Year" given by the PR Society of India, Madras chapter. Gopalakrishnan who was the bank's first public relations officer in 1975, has done his bit to emphasise the importance of public relations. "Every bank employee should be a PR man, willing to educate and interact with the clientele," he maintains. Consequently, when he was promoted as general manager in 1983, he got the PR department to report to him. "For a PR man to function successfully, the organisation should have an image which can be built up, the PR man can only shape this image. Also the senior officers should play a supportive role," he maintains. "Our PR effort includes our staff



as well. We are probably the only bank at which the chairman addresses the staff at centres throughout India regarding the bank's performance during the year," gloats Gopalakrishnan.

B.K. BIRLA

"Our new tyre project is going to be of immense importance as far as Kesoram Industries Ltd. is concerned" says B.K. Birla, referring to the group's diversification into automobile tyres and tubes.

The Rs.281.5 crore project, which has already suffered cost overruns due to a year's delay in implementation is to be set up at Balasore in Orissa.

No further cost overruns are estimated according to Birla, provided the technology and the sophisticated equipment arrive on time. Birla, also clarifies that while the 'Pirelli' brand name will not be used, wide publicity would be given to the Pirelli tie-up. Also some Pirelli tyres would be imported by the group in the near future for testing on Indian automobiles,

to guage how far the design and technology would prove suitable, to Indian conditions.

All future projects belonging to the group will take a backseat, until the new tyre project is under way.

R.K. MITTAL

The exports of the UP Export Corporation Limited are the highest among all the state export corporations. It exports wood carvings, Bhadoi carpets, Chickan-work, floor-coverings, readymade garments, etc.

The corporation has signed an agreement with Swedish Industrial Development Authority (SIDA). The SIDA will provide $1.5 million for its various projects, meant for domestic and overseas clients. "The loan will be stretched out in five years and will be utilised for schemes earmarked to update the standards of our quality and design," says R.K. Mittal, managing director, of the UP Export Corporation Ltd. Mittal says, "Plans are afoot to ensure that we have handicrafts of various states in all our showrooms

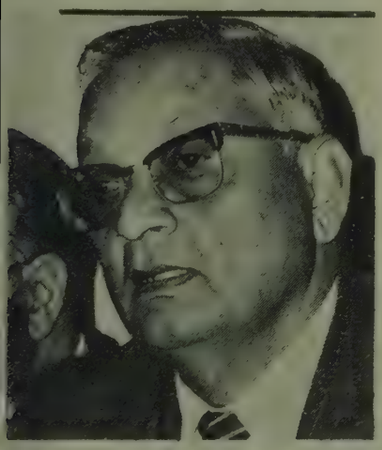
in the country."

It also plans to double its exports in all the sectors. During 1987-88, the corporation exported goods worth Rs.3.5 crore.

V. KALYANARAMAN

Regional co-operation is the in thing and the South Asian Federation of Accountants (SAFA) is doing its bit. V. Kalyanaraman, the newly-elected president of SAFA says, "The main objectives are to improve resource management and co-ordinate accounting principles in the region."

SAFA's member bodies are the chartered accountancy and cost accountancy institutes from India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan. The ICA and ICWA, India are members.

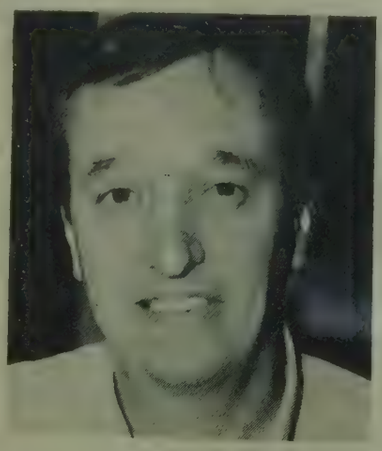


"All these countries face the same resource constraints; we have the same degree of development. SAFA's role will be to breach the regional barricades and try for knowledge sharing," says Kalyanaraman.

RANDALL JENSEN

A member of the American Spice Trade Association (ASTA), Randall Jensen is on his first trip to India. It is also the first time ASTA has sent a team to India. Jensen, who has 20 years of experience in the spice, seasoning and flavouring industry, is vice-president of McCormick Ingredients of Hund Valley, USA.

The team's trip is part of



ASTA's programme, in collaboration with the Spices Board and the International Trade Centre, Geneva, to increase the awareness of Indian producers of the need for cleaner spices. "The quality of Indian pepper has improved lately, but if the FDA were to introduce blacklisting for the second time, it will be very difficult to get it lifted," he says.

PAUL WALKER

Nordson USA specialises in developing innovative systems for the application of paint. The company has entered into a distribution arrangement with the Madras-based Foretek Engineers Private Ltd for supplying finishing systems to India, according to Paul Walker, general manager, Finishing Products, Nordson Australia Pty Ltd, a subsidiary of Nordson US. Foretek Engineers is engaged in designing, manufacturing and commissioning industrial painting systems for a variety of industries in India.

Since the attempt is to improve product quality by improving the finish, "India is an ideal target market for Nordson which offers a full range of industrial equipment to apply materials in every form, including liquid and powder coatings, thermoplastic adhesives and sealants," says Walker.

JIM CLEGG

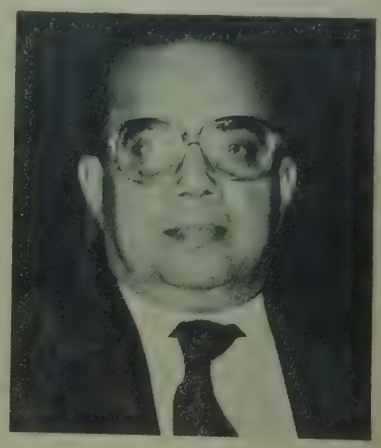
Jim Clegg, chairman, North West Food and Fuel Corporation (NWFF), Canada, was in Madras recently to explore the possibility of setting up joint venture projects with leading industrial and government organisations in India in the field of synthetic and biotech chemicals. This is Clegg's second visit to India.

"Government delays have prevented joint ventures from coming up in the area of alcohol production from wheat," says Clegg, who tried to sell one such project on his last visit. "However, three companies are seriously considering this project," he claims.

India is on NWFF's list for joint ventures "because this country has declared its interest in biotechnology products as an alternative to its depleting resources of hydrocarbons," explains Clegg.

JAMAL UDDIN AHMAD

Bangladesh has decided to go in for independent auditing of funds earmarked for development. Says Jamal Uddin Ahmad, chairman and managing director of Jaroms Consultants Ltd of Bangladesh and a former deputy prime minister, "Our firm, along with certain others, was asked by the government to audit development funds for rural areas. The funds amounted to about Rs.200 crores per annum, and around 460 districts came under our purview."



According to Ahmad, the government has also decided to audit education funds and municipal budgets. "It's our job to check how much money was spent on what project, whether it was authorised and whether the project has been satisfactorily completed. We also do random checks on the status of these development projects," he says.

MADHU BERIWAL

Can mass disaster, such as the Bhopal gas tragedy, be prevented in the future? "Yes," says Madhu Beriwal (32), who has developed a new highly advanced software system called CHIEF for chemical empergency purposes. It consists of an integrated series of software tools for government and industrial users to plan for action in case of chemical radiation leakages or natural disasters. CHIEF is now being jointly developed by an American company — Innovative Emergency Management, Inc, headed by Beriwal and the US giant, Westinghouse Electric Corporation.

Beriwal, who is based in the US, is currently on a visit to India on a preliminary scouting trip for marketing the product here.

After hardware and software, here's the third dimension to process control...

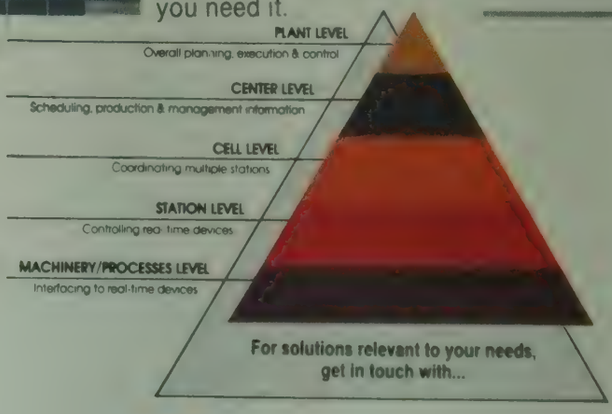
Warmware. Only from Allen-Bradley.

A unique concept from Allen-Bradley, 'Warmware' is the vital human factor that complements hardware and software in industrial automation. It comprises the best quality support services and training necessary to keep your equipment and plants operating productively.

A global partnership for life

For the last 80 years, Allen-Bradley has been the leader in this field. Now 'Warmware' gives you access to this rich experience and rare expertise. Whatever your industry, big or small, there is a relevant solution that we can offer for your specific needs. Right from feasibility study, concepts and designs, logistics, support requirements and total responsibility of the project right upto commissioning, start-up, training and beyond. This ensures that you get maximum benefit from industrial automation. At each level of our unique approach to plant automation — the Productivity Pyramid.

What's more, our responsibility towards you does not end with the installation of PLCs, AC & DC Digital Drives and provision of software for your needs today, but will continue in future too! 'Warmware' ensures that your installation always remains state-of-the-art, with relevant enhancements from time to time. Not to mention on-going maintenance and field-service support whenever you need it.



For solutions relevant to your needs, get in touch with...

PLC / Industrial I/Os / Data Acquisition / AC Drives / Digital DC Drives / Colourgraphic Systems / CNC / Software Products

AB ALLEN-BRADLEY
A ROCKWELL INTERNATIONAL COMPANY

ALLEN-BRADLEY INDIA LTD.
C - 11, Industrial Area, Site 4, Sahibabad - Ghaziabad - 201010

CIMple solutions for productive automation... your competitive edge.

SHIPPING

Personnel pressganged

The union government has, through an order dated 4 February 1989, severely restricted foreign shipping companies from hiring Indian officers on board, under section 115 of the Merchant Shipping Act, 1958. Ostensibly aimed at restricting the exodus of trained Indian merchant navy personnel, this step has pitted the Centre against the 10,000-strong Maritime Union of India (MUI) and foreign companies hiring Indian manpower on board.

Apart from the serious financial implications it will have for Indian navigating and engineering officers enjoying better service conditions on board foreign ships, this order raises basic questions about the government's motive.

Indian sailors employment restricted

Discriminatory. The obvious reaction from the MUI and foreign shipping companies' representatives is that the singling out of trained and competent seamen for such restrictions is discriminatory and violative of the right to work as granted under the Indian Constitution. Approximately 6,000 navigating officers work on board 400 Indian and 500 foreign flag ships.

After a decade long recession, the shipping industry is bouncing back. As a result, the demand for trained personnel has increased sharply, as vessels which were previously "mothballed" have been put back into action. Indian shipping companies unable to pay the salaries which foreign companies pay find themselves understaffed. Indian shipowners argue that as in other branches of highly subsidised national training, the country stands to lose heavily by the outflow of trained talent. The MUI argues, however, that except in rare instances, there are no such restrictions on trained people from highly-subsidised institutes like the IIT's.

According to the Indian shipping companies, the shipping personnel shortage is about 1,000 officers while the MUI claims it is only 400 (ie 6 per cent of the total). It is alleged that the government is acting in connivance with an outdated Indian shipping industry.

"The legislation is trying to back inefficiently managed shipping companies and assist them in finding labour," says general secretary of the MUI, K.E. Sukhia. The union is determined, to take the matter to court if across the table talks with the director general, shipping, fail. The union representative also points out that one and a half years back, when manpower was freely available, Indian companies had deliberately understaffed ships as an economy measure.

Incentives to stay. Admitting that Indian industry must have the right kind of people if there is to be a fleet expansion, Dilip De of Ranadip Shipping and Marine Company, strongly advocates tax reliefs and better living quarters for officers on board Indian ships. "If the government regulates employment without the corresponding wage and service benefits, it's treating sea officers like slaves," he says.

Leave alone the conditions of living, the MUI is worried about even basic payment of salaries, where Indian shipping companies, like Scindia, have defaulted. Says Sukhia, "We have just emerged from litigation where 60 officers had not received a maximum of eleven months wages from Scindia Shipping Company. The Merchant Shipping Act, 1958 may be supposed to protect our salaries, but where is the machinery to ascertain we are paid our monthly dues?" he demands.

Moreover, though engaged in export-related activity, officers working on board Indian ships are not given any of the tax reliefs that their counterparts working for foreign shipping companies enjoy.

A spokesman of Great Eastern Shipping Company, however, staunchly defends the step taken by the union government saying, "The order issued by the government is in the national interest: to regulate the recruiting and outflow of skilled personnel so that the country does not lack talent."

The battle lines have been drawn. And neither side looks as if they are ready to back down. The final outcome will have far reaching repercussions on many other professions.

■ TEESTA SETALVAD

INFORMATION TECHNOLOGY

Relevance to planning

The seminar on "Role of Information Technology in Employment Generation" organised by the Indian Merchants' Chamber on 2 and 3 February (to coincide with the prime minister's visit to the city for the inaugural of the French Festival), had a galaxy of eminent speakers. They included Sam Pitroda, technology advisor to the prime minister, who made the theme presentation, P.S. Deodhar, chairman, Electronics Commission, F.C. Kohli director, Tata Consultancy Services, Kalyan Banerji, chairman Exim Bank and Ram Tarneja, managing director, Bennett Coleman and Co who is also president, Indian Merchants' Chamber.

Focus on information. Pitroda spoke on the need to focus on "information", its relevance to the planning process and its contribution to efficiency and development, especially in the core sectors and basic public amenities and utilities.

Pitroda also discussed the impact of

Must good printing lead you a pretty dance?

You could be in no worse situation in getting imported printing paper. Your one hand at your bank's counter and the other holding your client. Your one foot running in search of the paper while the other one screwed to your other business deals. Ouch! May it not be your last tango!

Don't despair.

There's **Sensocote.** To let you feel releaxed. **Sensocote** art card and art paper. The like of which didn't exist until now. Now you can get the printing impressions you always relied upon importeds for. Sharp. Spirited. Full of detail.

Sensocote. If you love to face the music of good printing happily. Ever after.

Gone are the importeds
Gone are the ifs 'n' buts

SensoCote

Sensible language in Printing

From the makers of

SilverCote

Shree Krishna Paper Mills & Industries Limited

4830/24, Prahlad Lane,
Ansari Road, Daryaganj,
New Delhi-110 002.
Ph : 272320, 275117

Sales Outlets :
DELHI : • M/s Birdhi Chand Girdhari Lal, 3798 Chawri Bazar, Tel. 2917913, 2920778 • M/s Lahore Paper Store, 3796 Chawri Bazar, Tel. 2912078 • M/s Phool Chand Jain & Sons, 536-38 Gali Bazazan, Sadar Bazar, Tel. 524680 • M/s Shyam Traders 70-A Kamla Nagar, Tel. 2914711, 2915766 • M/s Hari Kishan & Sons, 6 Mela Ram Market, Chawri Bazar, Tel. 262439, 262587 • M/s Sushil Enterprises 6 Makki Market, Chawri Bazar, Tel. 264949 UTTAR PRADESH : • M/s Suprams Paper Corporation, Jarar House, Madiya Katra, **Agra.** Tel. 76536 • M/s Lucknow Paper & Allied Co. Pvt. Ltd., 49/50, General Ganj, **Kanpur.** Tel.219733 RAJASTHAN : • M/s Nagawat Trading Co. Kothari Haveli, **Banswara.** Tel. 362 PUNJAB : • M/s Kapoor Trdg. Corpn. Bazar Kharadian, **Ludhiana.** Tel. 20879 pp. • M/s Kapoor Trdg. Corpn., Bay Shop No. 11, Sector-27D **Chandigarh.** Tel. 29280, 43280 • M/s Kapoor Trdg. Corpn., Guru Bazar **Amritsar.** Tel. 41039 • M/s Guglani Paper & Stationery Mart, Khingran Gate, **Jalandhar.** Tel. 73695 MADHYA PRADESH : • M/s Balkrishna Paper Sales Agency, 623, Saraswati Market, Khajuri Bazar, M.G. Road, **Indore.** Tel. 30067. MAHARASHTRA : • M/s Arvind Trading Corpn., 64/8, Sutar Chawl, First Floor, **Bombay.** Tel. 327662, 320505 HYDERABAD : • Sri Venkatesh Paper Agencies Hyderabad Pvt. Ltd., 4 Raghava Ratna Tower, Chiragh Ali Lane, **Hyderabad.** Tel. 232544 GUJARAT : • M/s Vishal Trading Co., F/9, Vikram Chambers, Near Hotel Natraj, Ashram Road, **Ahmedabad.** Tel. 384894, 339926 • M/s Padmavati Tradg., Co. 7 Sachin Apt. Dandia Bazar, **Baroda.** Tel. 64682 WEST BENGAL : • M/s Laxmi Traders, 16, India Exchange Place, **Calcutta.** Tel. 201961, 207567 • M/s National Sales Syndicates 167, Old China Bazar St. **Calcutta.** Tel. 260030, 275420 • M/s Paramount Papers, 57, Radha Bazar, St. **Calcutta.** Tel 268367, 263360 KARNATAKA : • M/s Karnataka Paper Agencies, 200/2, Sultanpet, **Bangalore.** Tel 258856 TAMILNADU : • M/s T.K.M (P) Ltd., 169 Luz Church Road Mylapore **Madras.** Tel 76877, 73723 ORISSA : • M/s Rameshwar Lal Shyam Sunder, Banka Bazar **Cuttack.** Tel 1541, 2888

telecom in terms of the collapsing of levels in the organisation structure and the need for top management to concentrate on setting standards rather than giving instructions since information would be widely available. In a hierarchical society such as India's the impact of reducing layers of management and changing its style to "management by information" could be a revolutionary step.

Deodhar pointed out that India had a tremendous opportunity in the software field; competent manpower was easily available, Indians in this field had created a favourable image overseas and compared to the Chinese, Indians were more proficient with the English language. The major handicap India faced was the nonavailability of low cost computers so that they could be used on a large scale. Deodhar also informed the delegates that the government soon hoped to make available an IBM compatible PC priced below Rs.10,000.

Deterrent action. Kohli emphasised the need to develop a strong domestic market for software to enable the industry to develop expertise, credibility and reliability. He also discussed the negative impact of the widespread piracy of software that resulted in inhibiting investment in the development of software. It was obviously necessary to take deterrent action against piracy.

Banerji spoke on the importance of computerisation in improving the efficiency of the financial services sector, and Tarneja was of the view that the electronics industry could generate about 5.5 million jobs in the eighth plan period.

The seminar was interesting, especially Pitroda's slick presentation of the "information revolution" and his frank and down to earth answers to the numerous questions. The fact that information is power was mentioned by several speakers including the prime minister at the valedictory function later.

■ ANITA RAMACHANDRAN

TV TUBES

Yet another tangle

The television manufacturers and the picture tube industry are once again crossing swords. The TV manufacturers have been accusing the tube producers of forming a cartel to jack up prices of picture tube particularly colour picture tubes (CPTs). The three manufacturers of CPTs, Samtel Colour Ltd, JCT Electronics Ltd and Uptron Ltd claim, on the other hand, that they have been forced to increase prices because of the increase in the price of imported components.

Tube assembly: prices up

Already burdened with increasing component costs and high import and excise duties, TV makers cried foul when the prices of CPTs were raised by Rs.220 a piece recently. (The picture tube accounts for about 30 per cent of the production cost of a TV set.)

The demand for CPTs in 1988 was more than 1.2 million units. Half of this was met locally, and the rest was imported, primarily from Japan. International prices of CPTs have shot up due to a worldwide shortage (mainly due to a heavy Chinese demand). According to industry sources, the landed cost climbed from US $ 67 to $ 85 a piece last December. As a result, TV manufacturers allege, they have been left at the mercy of the domestic tube firms.

Soaring costs. The tube manufacturers maintain that the increasing costs of components, electron guns, shadow masks and glass shells have compelled them to raise the prices of tubes. "Seventy per cent of the price rise is accounted for by yen and dollar appreciation and soaring component costs," says Raj Kapur, general manager (marketing), JCT Electronics Ltd (which is the leader in CPT production with a 30 per cent market share). They argue that even at the present prices they are incurring substantial losses. "The rise in prices has helped only to scale down our losses," says Kapur. "JCT is losing about Rs.225 per tube even now," he says.

Another price hike in picture tubes is imminent after the Union budget, according to industry sources. The TV manufacturers have also decided to raise the prices of colour TV sets. "We can't postpone the increase. We have absorbed enough cost increases," says Prem Vachani, chairman, Weston Electronics Ltd.

The Indian Television Manufacturers Association (ITMA) feels that export of tubes has created the shortage — nearly 900,000 tubes were exported in 1988, of which 240,000 were CPTs. The ITMA's prescription for narrowing the demand-supply gap is simple: stop tube exports for the time being. Rather, export TV sets, which will create more value addition in foreign exchange.

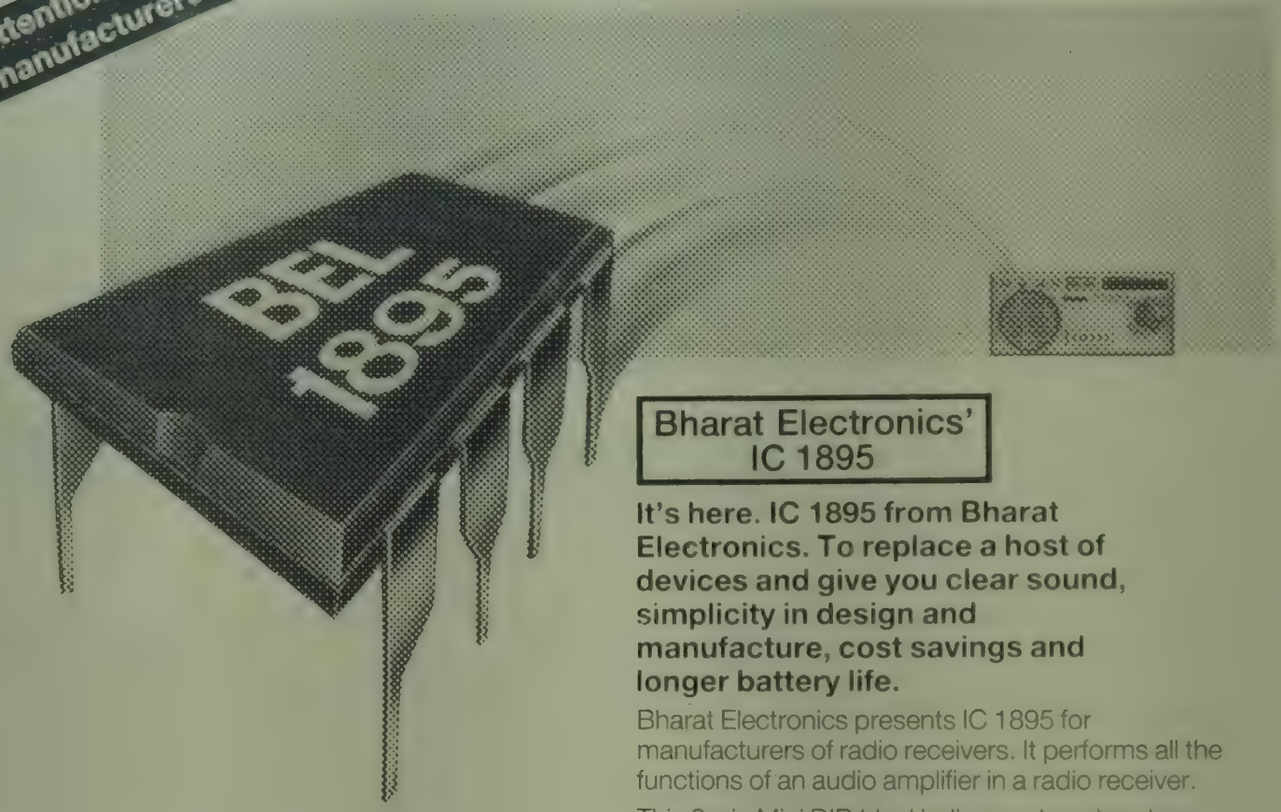
Tube companies however, refuse to lose the markets they have worked hard to identify and create. Also, as all three companies are going to enhance their installed capacities to one million units per year each, doubling present capacity, "By next year, there will be a surplus in the CPT market," says Kapur. TV makers, however, are not impressed. "But, what till then?" they ask.

The ITMA shot off a memorandum to the Department of Electronics (DoE) last December, demanding control over the rising prices. In response, the DoE decided to refer the tangle to the Bureau of Industrial Costs and Prices. The bureau's findings should help provide a clearer picture.

■ SRINIVAS VIJAY

The message is loud and clear!

Attention radio manufacturers!



Bharat Electronics' IC 1895

It's here. IC 1895 from Bharat Electronics. To replace a host of devices and give you clear sound, simplicity in design and manufacture, cost savings and longer battery life.

Bharat Electronics presents IC 1895 for manufacturers of radio receivers. It performs all the functions of an audio amplifier in a radio receiver.

This 8-pin Mini DIP (dual in-line package) replaces a transformer, 2 germanium devices, 2 silicon devices and many peripheral components from your present design. And directly drives the loudspeaker.

Features of IC 1895

- Power: It delivers 1 watt to a 4 ohm load (speakers) given a voltage supply of 6 V.
- Range: 3V to 9V
- Low quiescent current resulting in increased battery life (8mA at 6V).
- Adjustable voltage gain up to 600.
- Adjustable bandwidth up to 35 KHz.
- Low AM radiation (required for highly sensitive receivers).
- Low cross-over distortion (less than 1% at 2.5 mw over 3V – 9V).

Bharat Electronics Limited
(A Govt. of India Enterprise)
Jalahalli PO Bangalore 560 013

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS

Quality, Technology and Innovation

Marketing Centres:

Calcutta: 3rd Floor, Chatterji International Centre, 33-A Jawaharlal Nehru Road, Calcutta 700 071 Phone: 292380, 299260 Telex: 021/7227 Grams: ROBELTRONICS

Madras: SIET Building, 312 Mount Road Madras 600 018 Phone: 451660, 450880 Telex: 041/6267 Grams: BELTRONICS

Hyderabad: 1-1-58 Srinath Complex, Sarojini Devi Road, Secunderabad 500 003 Phone: 843841

New Delhi: 'EMCA House' 23/23-B Ansari Road, Darya Ganj, New Delhi 110 002 Phone: 264448, 273092 Telex: 031/66167 Grams: COMPBEL

Bombay: 4th Floor, Sukh-Sagar, 5 Patkar Road, Bombay 400 007 Phone: 8110847, 8115436

Bangalore: Cotton Complex, 15 Residency Road, Bangalore 560 025 Phone: 578983

MADRAS LEATHER FAIR

Forging contacts

It was strictly business at the India International Leather Fair, held at Rajaji Hall, Madras between 31 January and 4 Febraury 1989. Unofficial estimates place the business generated this year at around Rs.100 crores. This is an improvement, considering, "the business generated at the fair was Rs.65 crores in 1988, Rs.27.2 crores in 1987 and Rs.14.3 crores in 1986," according to A.D.N. Rao, general manager, Trade Fair Authority of India (TFAI), which has been organising the fair over the last three years.

Participation at the fair was encouraging. As many as 239 companies set up their stalls, compared to 175 in 1988, 126 in 1987 and 100 in 1986. The number of overseas participants was 98 this year, against 55 in 1988, 32 in 1987 and 20 in 1986.

Contact directly. Regardless of the larger presence, some of the foreign participants felt that the fair required greater personalised marketing. "Associations like ours receive brochures throughout the year from fairs the world over. It would therefore help if the TFAI sent representatives to contact importers and buyers directly in order to convince them of the emerging importance of this fair," observes Charles Myers, president, Leather Industries of America (LIA), which was participating at this fair for the first time.

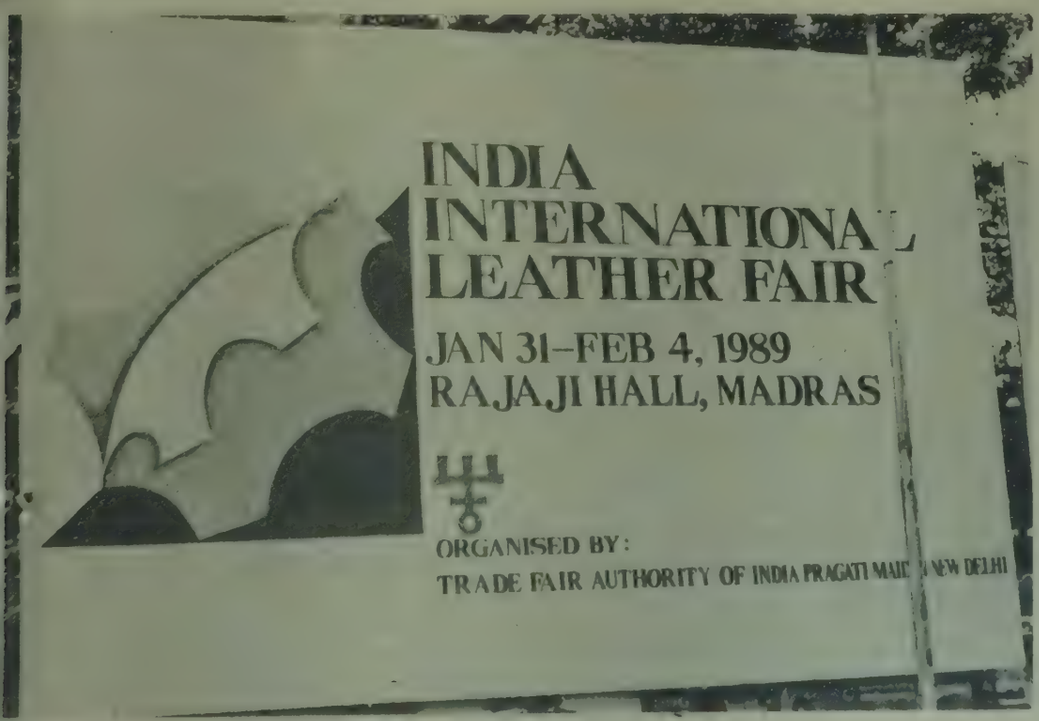
Participants from Argentina, Brazil and the LIA pavillion, consisting of seven American companies, displayed high quality leather suitable for use by Indian manufacturers who export value added products for up markets worldwide. Other major exhibitors included the Italians and French.

In the domestic section, though the attempt was on displaying the entire gamut of material and products offered by the leather industry, the proceedings were dominated by leather garment firms, of which 27 participated this year. Stalls concentrating on shoe uppers were few, since India's prowess in this area is well known and does not need to be projected. "However, there is increasing awareness in the domestic sector that participation in this fair is the most cost effective method of export promotion," observes M.M. Hashim, chairman of CLE.

Increased opportunities. The Madras Fair seems to have satisfied most of the objectives for which it was held. "Technology transfer, sourcing particularly of raw material, and opportunities to increase exports are this fair's main objectives. It has been a resounding success on the first two counts, and on the third, it has been an improvement on previous fairs," explains Sahasranaman.

Eighty percent of the participants expressed satisfaction with the fair, as has been established through a TFAI questionnaire on the fair. A majority were of the view that the fair is slowly becoming an international event. "It is not yet near the class of the Semaine de Cuir, but it has potential," says Myers. G.S.N. Murti, a leather consultant comments, "The best that a fair can do is to help forge contacts, exchange samples, sow the seed for more business". And this the fair has accomplished.

■ DHARANI K. PANI



Leather Fair: slowly becoming an international event

REAL ESTATE

ICICI in the game?

Bombay is one of the most expensive cities in the world as far as real estate is concerned. Prices in south Bombay's business areas of Nariman Point, Cuffe Parade and Ballard Estate range between Rs.2,500 and Rs.3,500 per square foot. But even at those prices office space is virtually impossible to find in south Bombay. For companies starting up or expanding, there is often no choice but to move to the northern suburbs if not out of the city altogether.

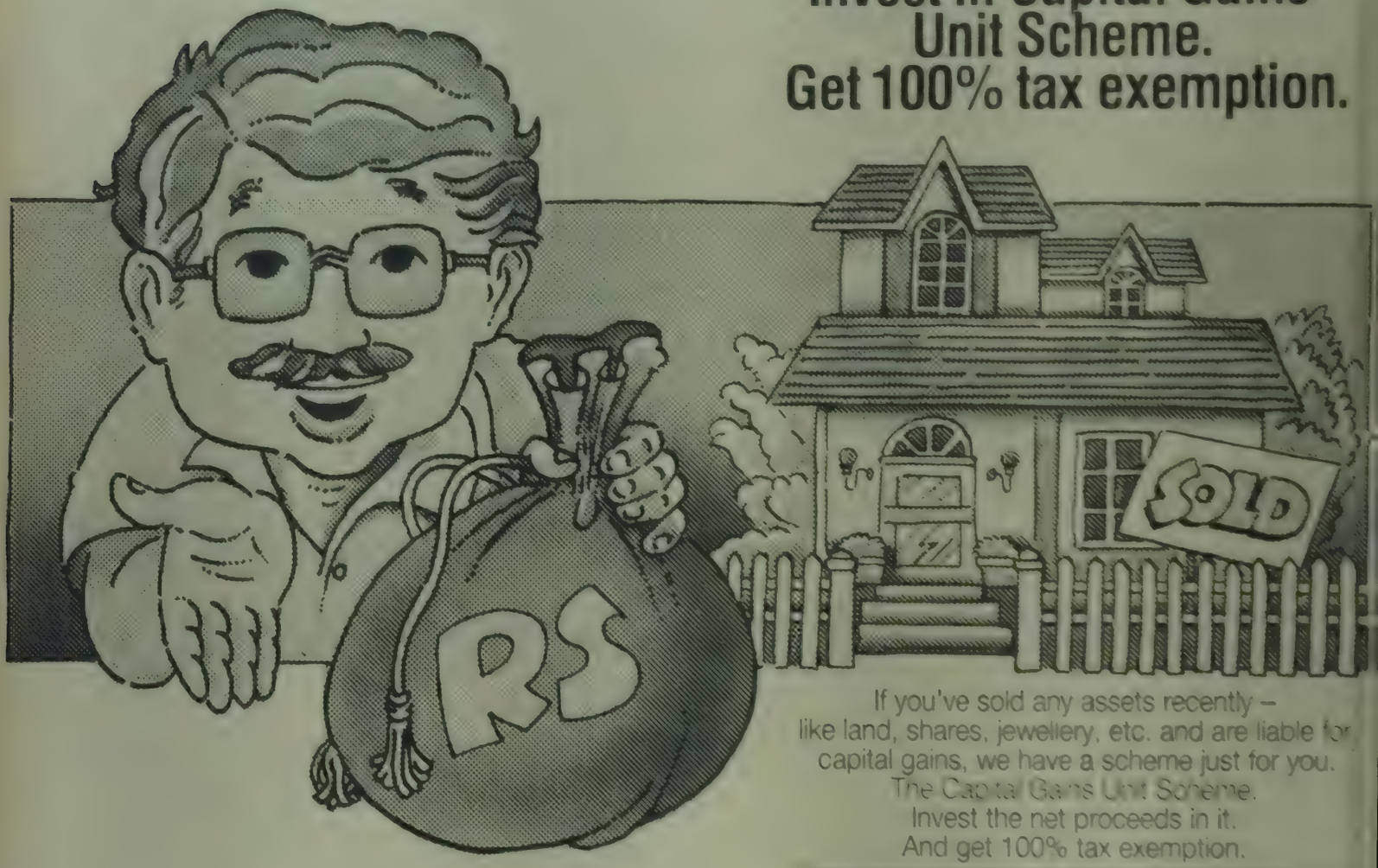
Mehta: no policy to buy and sell

However, one financial institution, the Industrial Credit and Investment Corporation of India (ICICI) has raised quite a few eyebrows with outright purchases of prime real estate in the last couple of years. And negotiations are currently underway for the acquisition of additional premises.

Quick acquisitions. In September 1987, ICICI successfully negotiated with Shahibag Investments Ltd, an Ambalal Sarabhai Enterprise (ASE) group company, for purchase of the four-storeyed Shanti

Sellers keepers!

Keep all your capital gains. Invest in Capital Gains Unit Scheme. Get 100% tax exemption.



If you've sold any assets recently – like land, shares, jewellery, etc. and are liable for capital gains, we have a scheme just for you. The Capital Gains Unit Scheme. Invest the net proceeds in it. And get 100% tax exemption.

Here are the highlights of the scheme:

- You get total exemption from capital gains tax under Section 54 E.
- The annual dividend is declared in June every year. Last year it was 9.60%.
- The minimum investment is 500 Units.

While the face value of Units under this scheme is Rs.10/–, Units will be sold at the prevailing sale price.

- There will be no repurchase of Units for a period of three years.

However, in case of death or dissolution, Units may be repurchased at the prevailing repurchase price.

- Transfer or pledge of Units is not allowed.

The Scheme is open to everybody – individuals (including minors), H.U.F., companies, bodies corporate, eligible trusts, partnership firms, etc.

So, with a scheme like this, be sure to make capital out of it.

UNIT TRUST OF INDIA

(A Public Sector Financial Institution)

Mail the coupon to:

- Bombay 400 020, Post Bag 11410, Tel: 2863767/6201995
- Calcutta 700 001, Post Bag 60, Tel: 209391/208795
- Madras 600 001, Post Bag 5063, Tel: 587433/580938
- New Delhi 110 002, Post Bag 5, Tel: 3318638/3319786

Please send me free literature on CGS.

Name: _____

_____

Address: _____

_____

_____

Another convenient facility! Payments can also be made by bank drafts — minus the commission. Drafts will be accepted at any Unit Trust office.

On the prowl for more property

Building, located at Ballard Estate, for a sum of Rs. 6.51 crores. It also negotiated for two floors at Nirlon House, located at Worli in central Bombay, for Shipping Credit and Investment Corporation of India (SCICI) and Credit Rating and Investment Corporation of India (CRISIL) — the two new companies it promoted recently — for a total consideration of Rs.2.5 crores. ICICI already has one floor at Ramon House, at Mantralaya, and had leased one floor at Scindia House in August 1985. With 117,000 square feet of prime land in the bag, ICICI is now prowling around for more.

It is rumoured that ICICI is in the process of starting negotiations for two more floors at Scindia House. This is to be acquired on long lease or outright purchase. It is also back in the bidding for the impressive 100,000-square-feet Crescent House, Indian Explosives Ltd's (IEL) building, at Ballard Estate. ICICI had earlier stepped aside deferentially when the RBI had evinced some interest in the property. IEL has put up Crescent House for sale as it already owns premises at Sewri in east Bombay It is reportedly holding out for a sum substantially larger than what ICICI is willing to pay; sources say IEL wants approximately Rs.40 crores though ICICI is currently willing to pay only Rs.17 to Rs.18 crores.

Why is ICICI on a buying spree for office space in south Bombay? Since it recently sold one floor at Cuffe Parade's Maker Tower 'F' Block to the Unit Trust of India, people are not willing to buy the official line that the corporation is expanding operations and staff strength (currently at 679). Says Girish Mehta, company secretary and in charge of the premises division, "It is true that real estate is a very lucrative business to be in, but there is no concerted policy to buy, hold and sell property. We are an expanding company and need more space."

"No pressure". An interesting aspect in all of this frenzied acquisition is the list of companies that have sold real estate to ICICI. ASE, Nirlon Synthetic, and Scindia Steamship have all been sick companies at one time or another. But N. Vaghul, chairman and managing director of ICICI, insists that "their premises were not acquired by setting off any of their outstanding liabilities. No undue pressure was applied on these companies to sell. In all cases we paid top market price for the properties." However, many observers in Bombay's financial and real estate circles believe that by virtue of being one of the premier financial institutions involved in the financing and rehabilitation of companies, ICICI is able to negotiate from a position of considerable strength. Some sources say that in the case of Shanti Building, ICICI came out winners, paying Rs.6.51 crores, while ASE wanted Rs.10 crores.

As is well known, creditors often acquire premises, among other assets, from defaulting debtors, and make a killing because of the spiralling cost of real estate. The question many people are now asking is whether ICICI is also playing this highly lucrative game — very subtly, but for comparable profit.

■ SHIV TANEJA

Does your subscription copy arrive late or sometimes never at all?

Sorry, we don't run the postal services. But we'd like to ensure that there's no hold up at our end.

- Print or type your name and address clearly so that any errors in your address can be corrected.
- Quote your subscription number in your letter. It may well be that your subscription has expired.
- Write to us for a replacement copy no later than six weeks from the date of the issue which has been misplaced.

Help us to help you

THE

Business India

GROUP

Many 3 star hotel owners ☆☆☆ think that Blue Star only air conditions super deluxe hotels.

True?

For more information, please contact Blue Star Limited, Appliances Division: ● Bombay: Tel. 4933101 ● New Delhi: Tel. 643254? ● Calcutta. Tel. 280131 ● Madras: Tel. 472056. ● Ahmedabad: Tel. 403531 ● Vadodara. Tel. 325135. ● Pune Tel. 669830 ● Nagpur: Tel. 31645. ● Bhopal: Tel. 67380. ● Chandigarh: Tel. 40679. ● Kanpur. Tel. 210146 47 ● Jaipur Tel. 72406

False!

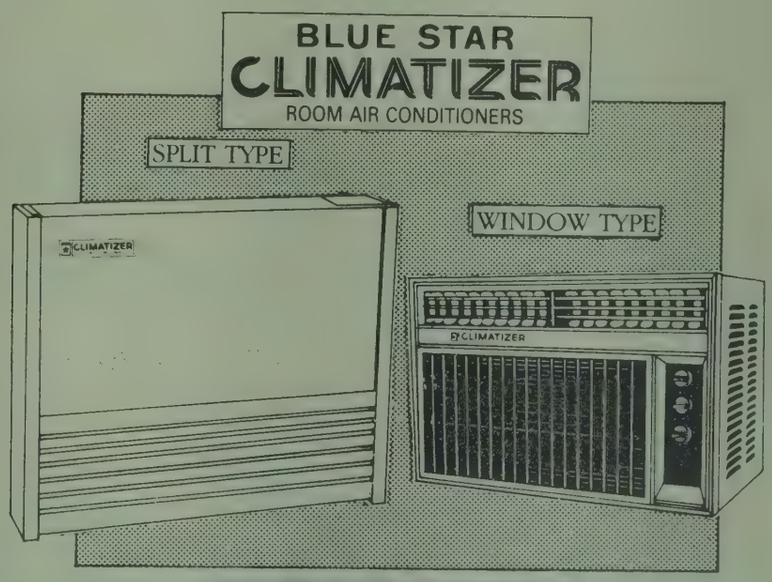
Blue Star also air conditions individual rooms in small hotels.

Blue Star Climatizer air conditioners offer superior features.

- Greater cooling power.
- At a lower operating cost.
- Whisper-soft cooling.
- Optimum cooling at all temperatures.
- A compressor that lives longer.
- Epoxy-based powder coated cabinets that give a youthful appearance.

Never forgetting, the backing of Blue Star's reliable after-sales support through 22 offices in India.

If you believe in providing cool comfort to your guests, contact the nearest Blue Star office.



BLUE STAR

The only guarantee you'll ever need

FSA/BSL/A2/89

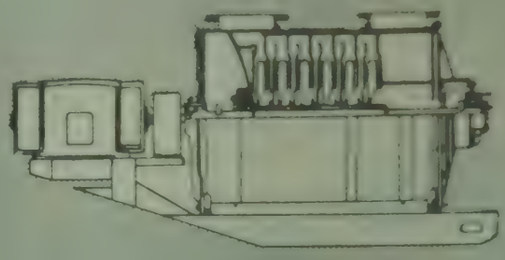
• **Lucknow**: Tel. 74661. • **Jamshedpur**: Tel. 24649. • **Guwahati**: Tel. 31231. • **Bhubaneshwar**: Tel. 55028. • **Patna**: Tel. 54287.
• **Bangalore**: Tel. 575668. • **Secunderabad**: Tel. 842057. • **Cochin**: Tel. 352069. • **Visakhapatnam**: Tel. 62783. • **Vijayawada**: Tel. 62784.

We in Indcon Projects, are associated with :

Spencer

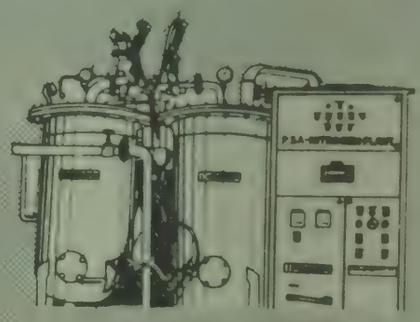
The Spencer Turbine Company,
600 Day Hill Road,
Windsor, CT 06095. **(U.S.A.)**

FOR MULTI STAGE CENTRIFUGAL BLOWERS & EXHAUSTERS



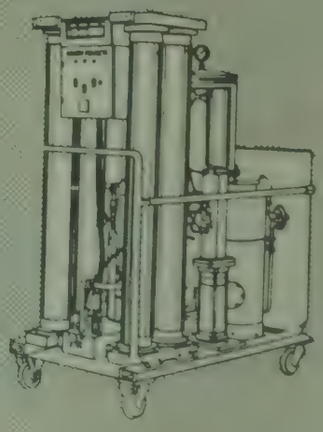
BERGWERKSVERBAND GMBH
VERSUCHSBETRIEBE DER BERGBAU — FORSCHUNG

FOR NITROGEN GAS GENERATORS



Foremen und Werkzeuge
EUMIG
FOHNSDORF
Industrie Ges. m.b.H.

FOR OXYGEN GAS GENERATORS



k-flex

Thomas French & Sons
(Electrical) Limited

FOR ELECTRIC SURFACE HEAT TRACING SYSTEMS

INDCON
PROJECTS

For further details, contact :
INDCON PROJECTS & EQUIPMENT (P) LTD.
D-170, Okhla Industrial Area Phase-I, New Delhi-110020
Phones : 6841441-42-43; 6832425 & 6836448.
Telex : 031-66554 INCO IN.
Cable : INPROEQUIP.

Our New Address

IDEAL JAWA

On the move again

Ideal Jawa has reopened as scheduled on 13 February. As per the agreement signed between the management and workers, operations have resumed at its factory at the Yadvagiri industrial estate in Mysore. Reportedly, the Indian Overseas Bank has agreed to pump in Rs.5 crores to revive the company.

Nearly four months ago, on 9 October 1988, Ideal Jawa decided to retrench 889 workers (out of a total number of 2,200). However, the management realised that the workers would not give in easily. So, it abruptly announced the closure of the factory on 14 October, leaving the work force to fend for itself. The owners explained that over the last two years, the unit was facing a serious crisis as a result of increasing competition in the two wheeler market. The company's share in the motorcycle market came down from 20.8 per cent in 1981 to 5.04 per cent in 1987. From a peak of 3,000 bikes a month in 1984, Ideal Jawa sold less than 1,000 every month during the first eight months of 1988. The labour cost per motorcycle, which was Rs.1,473 during 1984, increased to Rs.6,029 in 1988. The total wage bill of the work force during the year ending 1984 was Rs.5.41 crores; in 1987 it touched Rs.5.57 crore.

Huge loss. During the first eight months last year, the company suffered a cash loss of nearly Rs.30 lakhs a month. Despite a sharp fall in profitability since 1986, the company was unable to reduce its work force.

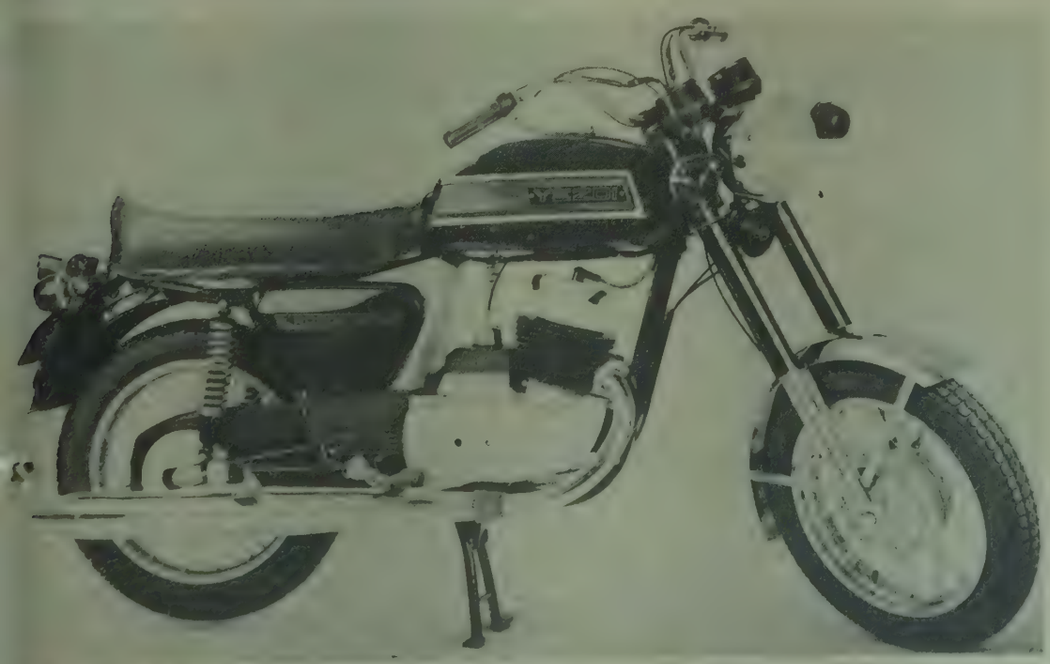
The company's suppliers were not paid for over seven months and it owed them Rs.2.5 crores. Also, the facilities extended by bankers were already fully utilised and the company was not in a position to raise additional funds.

According to S.K. Rahman, president of the Ideal Jawa Ex-employees Association, "Even though we had a 20 point charter of demands, we had to sacrifice ten of them. Otherwise, it would have taken longer to reopen the factory." According to the agreement, the major conditions are :

- Variable dearness allowance would be kept in abeyance for six months and paid back in six equal instalments after six months from the date of re-opening of the unit.
- The workers will produce 1,500 motorcycles per month and spare parts. If production falls short of 1,500, they will produce spare parts corresponding to the value of shortfall.
- Old applications for voluntary retirement scheme would be rejected.

As things stand, the management will introduce a voluntary retirement scheme soon. Details of the scheme are yet to be worked out. According to G.K. Sangameshwar, the labour commissioner, "The company has 2,058 workers, but it actually requires only 1,000 workers, else it cannot be viable."

■ DEVAPRASAD PUROKAYASTHA



Ideal Jawa: revving up

PARLE

Another bite

Two years ago Parle's maiden venture in to the quick food industry fell apart. As Big Bite — "the soggy cold burger", as many irate customers called it, bombed. (See *BI* June 16-29 1986). Today Ramesh Chauhan, chairman — Parle Exports is back in the quick fix food game as Golden Foods, a division of Parle Exports is all set to launch Bisca — Kwick Chow Noodles. "This time we are not leaving anything to anyone else," says Chauhan, alluding to the franchising business which requires constant quality control monitoring, the lack of which led to Big Bite's demise.

The investment for Kwick Chow is Rs.6 crores with technical knowhow purchased from Fuji Manufacturing Co of Japan, a country which consumes 4 billion cups of noodles a year. Despite Chauhan's confidence that the noodles will be a success, this time round he is moving with considerable caution. Initially the noodles, in three flavours, will be launched in Bombay and Pune.

Getting accepted. Chauhan says, "our first target is to get nationwide acceptability." Chauhan's experience with Big Bite is not one he is likely to forget in a hurry. "Consumer acceptability in this business is everything, and we are making every effort to make it taste like real home cooked noodles," says Chauhan. Modestly priced at Rs 6 per cup — Kwick Chow is attempting to take on the formidable pao bhaji (Bombay's contribution to the fast food industry) and Chauhan is hopeful that the noodles will gain the same kind of acceptability.

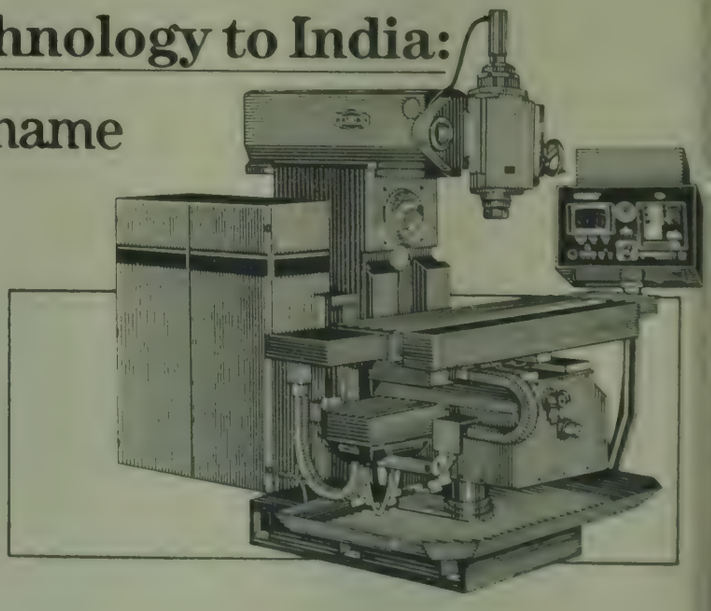
Realising that advertising will play a crucial role in deciding Kwick Chow's fate, Chauhan has earmarked Rs. 60 lakhs for advertising. The major selling point which Kwick Chow is undoubtedly going to hardsell will be the hygiene factor. "To be preprocessed on a fully automatic plant untouched by hand, we are attempting to adopt the Japanese 'zero defect' concept," says Chauhan.

Entering an industry already peppered with fast food formulations, none of which have been stupendous successes, is no mean task. Shortly, consumers in Bombay and Pune will decide whether Kwick Chow is more acceptable than the local eaterie round the corner.

■ SHIV TANEJA

Now, Batliboi brings 'Klopp' technology to India:

The highly ranked West German name in milling machines



Batliboi BFK-10 CNC Knee Type Milling Machines incorporate all the advanced technology and know-how of collaborators Klopp Werke, Solingen, West Germany, the well-known name in milling machines, worldwide.

The BFK-10 has combined horizontal and vertical spindles; and 11 Kw spindle power with 3-axis linear interpolation and 2-axis circular interpolation through 'Heidenhain' TNC 155 control.

Other technology-leading features include recirculating ball screws, separate DC servo motors, electronic hand wheel, wide speed and feed ranges and high rapid traverses.

BFK-10 is available with the full backing of the highly-ranked engineering and after-sales services of BATLIBOI.

BATLIBOI ***For a century, the engineers' engineers***

For further details, contact:
Batliboi & Company Limited, Apeejay House,
Dr. V.B. Gandhi Marg, Fort, Bombay 400 001.
Telex: 011-2284/4852. Offices: Ahmedabad • Baroda
Bangalore • Calcutta • Coimbatore • Delhi • Ernakulam
Indore • Jaipur • Jamshedpur • Lucknow • Ludhiana
Madras • New Delhi • Patna • Pune • Secunderabad
Vijayawada. Manufacturing Division: Udhna (Surat)

KLOPP Manufactured in Technical collaboration with
Klopp Werke, Solingen, West Germany.

THE AGA KHAN

Preserving a productive partnership

On his two week trip to India recently, the Aga Khan travelled extensively through Gujarat, meeting his followers and visiting the varied projects promoted by his widespread developmental network

By the morning of 10 February, there was a virtual petrol drought in southern Saurashtra. The region had been invaded by a cavalcade of protocol cars, buses and other assorted vehicles. They carried a select entourage, scores of volunteers, and a multitude of followers who were waiting to receive His Highness Prince Aga Khan IV, Shah Karim al-Huseini.

The five-day visit of Gujarat by the Aga Khan, which began on 7 February, covered some of the remotest villages in the heartland of the state. Its religious purpose was combined with a less known but important objective: to assess the progress made in specific projects undertaken by the Aga Khan Development Institutions, notably the Aga Khan Rural Support Programme (India), the Aga Khan Health Services (India) and the Aga Khan Education Services (India).

These twin purposes fit in naturally with the dichotomous personality of the Aga Khan himself. As the 49th Imam of the Shia Ismaili Muslim sect, he is spiritual leader and Hazar Imam to an estimated 20 million Ismailis worldwide and commands unswerving loyalty and devotion from his followers. But as Willi Frishauer, author of *The Aga Khans* points out, he is the Imam of the Atomic Age. "Because of his many industrial interests and his pre-occupation with education, housing and health, he seems more like a business tycoon than a religious leader," says Frischauer.

Meeting industrialists in Bombay: a dual role

Dual role

The Aga Khan assumed this dual role when he was 20, when he was installed as successor to the Imamat on the death of his grandfather, Sultan Mohamed Shah Aga Khan III. He plays both parts to perfection with an ease that is now second nature. One day he is solemnly delivering a religious proclamation to a 45,000 strong crowd of the faithful. On another he is attending a luncheon in his honour hosted by key industrialists/decision makers. In five-star surroundings, a noted business tycoon offers the use of his private plane — the offer is gently turned down but not before giving the precise reason. A similar attentiveness, perhaps more, is paid to the problems articulated by a marginal farmer in the heartland of Gujarat.

A man of meticulous detail, hardworking, almost reticent and marked with a seriousness of purpose, he carries his 51 years well. He is known to keep long working hours — 18 hours every day. His multifarious interests demand such a rigorous schedule.

Accompanied by a 13-member entourage from his secretariat at Aiglemont, the timetable of the Aga Khan's two-week trip provides for little rest too. Constantly on the move, shuttling by executive jet between cities and air force helicopters in rural districts, he steps out on to helipads specially constructed by the PWD for his visit. In protocol terms, the Aga Khan is accorded the same arrangements as those for a head of state.

While international gossip columns tend to dwell more on his business interests in race horse breeding, his elite holiday resort at Sardinia, his social development activities particularly in the developing world are less well known. In Gujarat, Aga Khan Foundation funded institution have achieved quiet breakthroughs in their spheres.

It was not business but "deep historical roots in Gujarat" and an "attachment to its soil" that propelled the Aga Khan's numerous development activities in this state. There is a large population of Ismailis, a substantial number living in backward areas.

Self-sustaining institutions

The prime mover in rural development is the Aga Khan Rural Support Programme (India) (AKRSP(I). Set up in 1983, with a corpus fund of Rs.3 crores, the AKRSP(I) has a prestigious 9-member board of directors headed by V.Kurien who is chairman. Funded initially by a donation from the Aga Khan, its objective is to alleviate rural poverty by organising

Exporting for the first time?

There's nothing to beat the excitement of the first time. You are so full of hope when your shipment leaves port.

Perhaps this is the best time to safeguard against loss:

- Are you extending credit?
- Have you checked your buyer's credentials?
- What if your buyer is unable to pay due to financial problems or a crisis in his country?
- Are you protected against such losses?

You can start now.

The Export Credit Guarantee Corporation of India was set up to protect exporters like you.

ECGC offers policies and bank guarantees which cover your credit risks and can increase your trading capability.

Call, visit or write. ECGC is only a phone call away.

JAWAHARLAL NEHRU CENTENARY

ईसीजीसी ECGC

RISK-FREE WITH ECGC

Regd. Office: Express Towers, 10th floor, P.O. Box 373, Nariman Point, Bombay-400 021
Tel.: 2023023/3046/3196/3267/3321. Telex: 011-3231 ECGC IN. Cable: INDERIC
Regional and Branch offices: Bombay, Calcutta, New Delhi, Madras, Ahmedabad, Bangalore, Bhubaneswar, Cochin, Hyderabad, Jaipur, Kanpur, Ludhiana, Moradabad, Pune, Srinagar, Varanasi

MULTIMEDIA AQUARIUS/ECGC/1/89

rural people into viable and self-sustaining institutions at the grassroot level.

Says Andrew Weir, programme officer, rural development, Aga Khan Foundation, Geneva, "It acts not merely as a funding agency but one that can provide expertise in management and implementation to government and non-government organisations. To that extent, we serve as catalysts to rural development." In practice, this philosophy, means encouraging a high degree of participation at the village level by organising them into an institution called the gram vikas mandal. The project beneficiaries are involved at every stage, right from identifying the project to its execution and management. As a rule, projects are located in villages with an Ismaili population.

Drought-prone Surendranagar, backward Bharuch with its large tribal population and Junagadh's over-exploited excessively saline lands, were the three areas selected for AKRSP(I)'s activities. These would initially be in the spheres of land and water resource development. Hence minor irrigation works were sought to be set up based on each district's peculiar problems and needs.

In Bharuch, which has perennial water sources, 8 lift irrigation schemes have been completed. For rain dependant Junagadh and Surendranagar, percolation tanks that can store water, and check dams and drip irrigation schemes that can control the flow of rain water into the sea, are more appropriate.

Before the AKRSP(I) could put its plans into gear in 1985, the region was beset by a severe drought for three successive years. Communal riots only added to the adverse situation. These circumstances compelled AKRSP(I) to set up cattle camps in collaboration with village institutions to prevent cattle from dying of starvation. Owners paid Rs.2 per day for the upkeep of each animal, and AKRSP(I) subsidised the other costs.

Symbols of success

These camps were eventually closed down with the onset of the monsoon last year. Junagadh, the abode of the Gir lion and the groundnut bowl of India was once a fertile land famous for its banana, mango, and coconut plantations. Excessive groundwater exploitation has made it saline and eroded productivity. AKRSP(I)'s projects, apart from those relating to water resource development, included the construction of as many as 221 biogas plants. Taking the cost and benefits into account, these plants have done enormously well, says Anil C. Shah, chief executive, AKRSP(I). "They form symbols of our success," he adds.

A project site: afforestation programmes

AKRSP (I): Progress at a glance

Programme	Status as on Dec 88
WATER RESOURCE DEVELOPMENT	
Lift irrigation projects	8
Renovation of percolation tanks	
Completed	2
In progress	3
Check dams	
Completed	2
In progress	2
Community well	2
Waste water weir	1
Distribution system from irrigation tank	1
Employment generated	2,27,500
LAND DEVELOPMENT	
Wasteland development	
Nurseries set up	183
Saplings (in 1000s)	5,435
Areas cornered (hectares)	1,174
Employment generated	3,08,000
Fodder farms	
Operational	4
Being developed	3
Pvt land soil and water conservation (hectares)	50
BIO-GAS	
Plants installed	221

In Amrapur village, a check dam on the river Vrajani has been constructed in 1987 in collaboration with the gram vikas mandal and the district rural development agency. The latter has provided almost half the total project cost of Rs.258,000, the balance being funded by the AKRSP(I). By storing water in small streams, check dams help in recharging wells. It covers a catchment area of 8.113 sq km and benefits 26 wells. Farmers spoken to are unanimous about this one fact: benefits in terms of an additional yield of an extra cash crop.

Much impact has been made, similarly, in Bharuch district. Located on the northernmost part of South Gujarat, 81 per cent of its estimated population of 13 lakhs are tribals. The district is a study in contrasts between the well-nurtured fields of the Rajputs and Patels in the plains; and the marginal, neglected fields in the hills of the tribal people.

At Mota Jambuda, a 280-household village in the Valia taluka, 56 per cent of the population is landless. Eighteen months ago, the AKRSP(I) launched its afforestation project over a command area of 86 hectares covering five villages. Over 215,000 saplings of different varieties were planted at a cost of Rs.9.94 lakhs. The survival rate of these trees was 90 per cent and they are expected to have marketable value within five years.

Erosion prevented

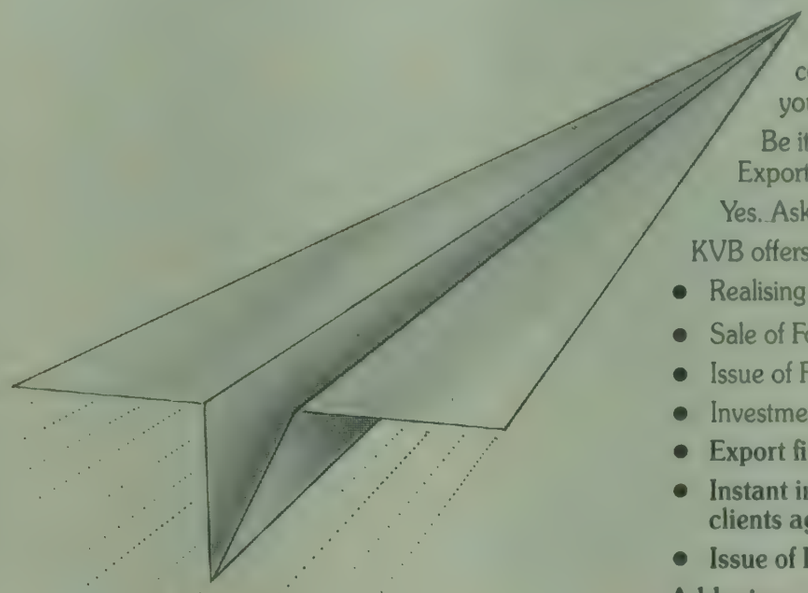
Apart from encouraging cross village cooperation, the project has generated employment and generated savings at the gram vikas mandal level up to $ 12,500. By creating a microclimate, which permits grass to grow, it has prevented the normal erosion from hills to plains which has made the cultivation of a winter crop of wheat possible.

At Sejpur, a 250 hectare village on the banks of the river Karjan, an AKRSP(I) supported lift irrigation project has been constructed at a cost of Rs.16 lakhs. It distributes water equitably to three other neighbouring villages benefiting 30 per cent of the population and 136 households. The *pani panchayat* scheme is at work here which operates on the principle that water rights are equal regardless of the size of land holdings. "The tribal farmers here were just not acquainted

KVB adds wings to your import/export deals

Time is the essence of any deal. And speed is the essence of time. Especially in your import/export deals.

What you need is a bank that understands your need for speed. A bank like KVB.



Yes, KVB. A small town bank with far reaching contacts and 72 years standing. With KVB to back you, you can do business in any corner of the world!

Be it opening an Import Letter of Credit or realising your Export Bills. KVB does them all in the shortest possible time.

Yes. Ask any KVB customer and they will vouch for it.

KVB offers you a whole range of other related services:

- Realising Foreign Cheques on any bank in New York in 3 days
- Sale of Foreign Travellers' Cheques
- Issue of Foreign Currency Drafts
- Investment Portfolio for NRIs
- **Export financing**
- **Instant information of Exchange Rates and protection of clients against Exchange Rate Fluctuations**
- **Issue of International Bid Bonds**

Add wings to your import/export deals... with KVB.
Come, find out more about it. It is to your advantage.

THE KARUR VYSYA BANK LIMITED

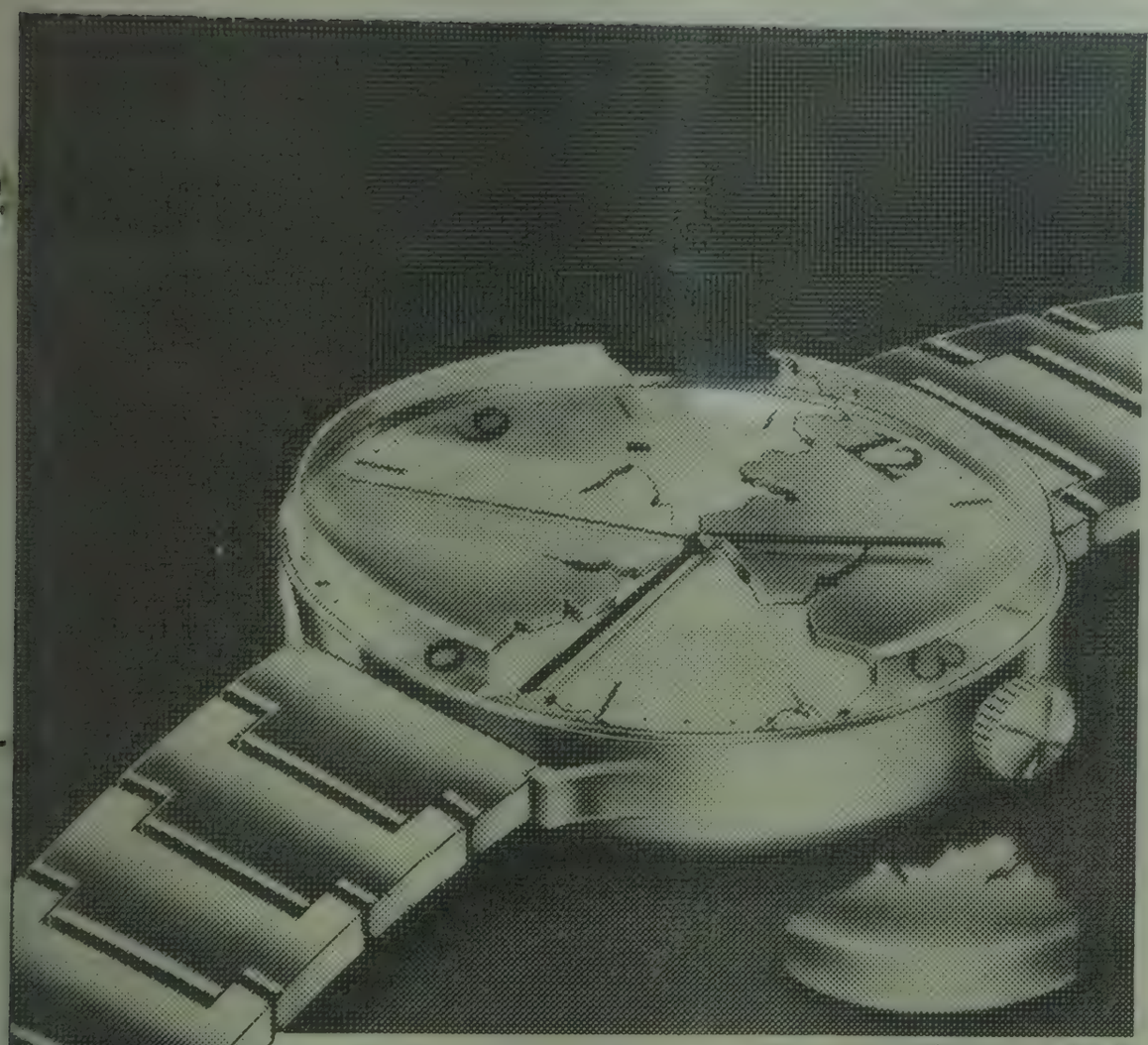
Authorised Dealers in Foreign Exchange

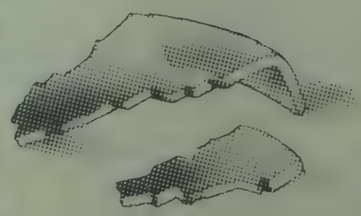
B. Baskaran
Chairman

Anagrah 300/89

For further details contact: Mr. T.M. Ramani Asst. General Manager International Division
THE KARUR VYSYA BANK LTD 30 Whites Road MADRAS 600 014 Tel: 867534

Or contact the Manager of any of the following branches
BOMBAY — 333033 DELHI — 5729079 AHMEDABAD — 354038 SURAT — 47834
CALCUTTA — 383487 BANGALORE — 225913 COIMBATORE — 23763
ERNAKULAM — 369291





"My husband would have completed 25 years of service this month..."

If only, more attention had been paid to safety in the factory.

"It was a Friday night and my husband was late as usual. I thought he was doing overtime After all, his dream was to put our son through medical college. When the police came at midnight, I knew our life was never going to be the same again. They said it was a short-circuit and my husband was in the chemical godown when it happened. He was burnt alive."

This family would not have been destroyed if only safety had been accorded due priority in the factory By way of management commitment, better safety standards, safety education and training... A corporate safety culture, that LPA has been trying to help create. Through its public service campaigns, education and training programmes, consultancy and advisory services and safety literature. And now, through video films easily available to individuals, organisations and institutions.

Make safety the guardian of your company. You built up your company the hard way. Don't let a single act of carelessness make it go up in smoke.

For a free Catalogue of LPA's Video Cassettes and publications write to Loss Prevention Association of India Ltd. Warden House, Sir P.M. Road Bombay 400 001.

Loss Prevention Association of India Ltd.
(Sponsored by the general insurance industry)
Promoting safety and loss control through education, training and consultancy.

CLARION B/LP/32/254

with irrigation methods," points out Shah. Today 35 to 45 per cent of the area is under irrigation. More significantly, 50 per cent of the farmers are now adopting irrigation practices.

The remarkable headway made by the AKRSP(I) can be attributed to its close monitoring, management and involvement at the grassroot levels. Says Rafiq Dossani, AKRSP(I) director. "We facilitate rather than fund." AKRSP(I) has managed to rope in some of the best professional minds who are given a clear mandate as to the approach to be adopted and its [illegible] approach. "The approach is incremental," points out Shah "and with every subsequent project we expect to encourage greater self-sufficiency." Weir points out that it also draws upon academic resources at the IIM Ahmedabad, and the Anand based Insti-

The international spread

The philanthropic activities of the Aga Khan have the organisational reach and depth comparable with any multinational enterprise. Professionally manned and managed, the Aga Khan Development Network Institutions, as they are styled, span four continents and 25 countries where Ismaili communities exist.

The network's origins go back to the last century, when the Aga Khan's grandfather, Sultan Mohamed Shah Aga Khan, began to institutionalise what were essentially local social welfare programmes in India and East Africa. Ten years after he became Imam, the present Aga Khan set up the Aga Khan Foundation in 1967, which is the chief engine of social development activities.

Primary concerns. Health, education and rural development are the primary concerns, with the emphasis on self-sufficiency, sound management, knowledge of local conditions and the most appropriate technologies. Being private and non-denominational, the foundation works in 12 countries in tandem with its sister institutions in the network. The Aga Khan Foundation (India), is based in Delhi and headed by the well known economist, A.M. Khusro.

The AKF's source of funds is its assets and donations. It works with 30 other international development agencies such as UNICEF, USAID, OXFAM, CIDA, WHO. Its current annual spending is to the tune of $ 100 million.

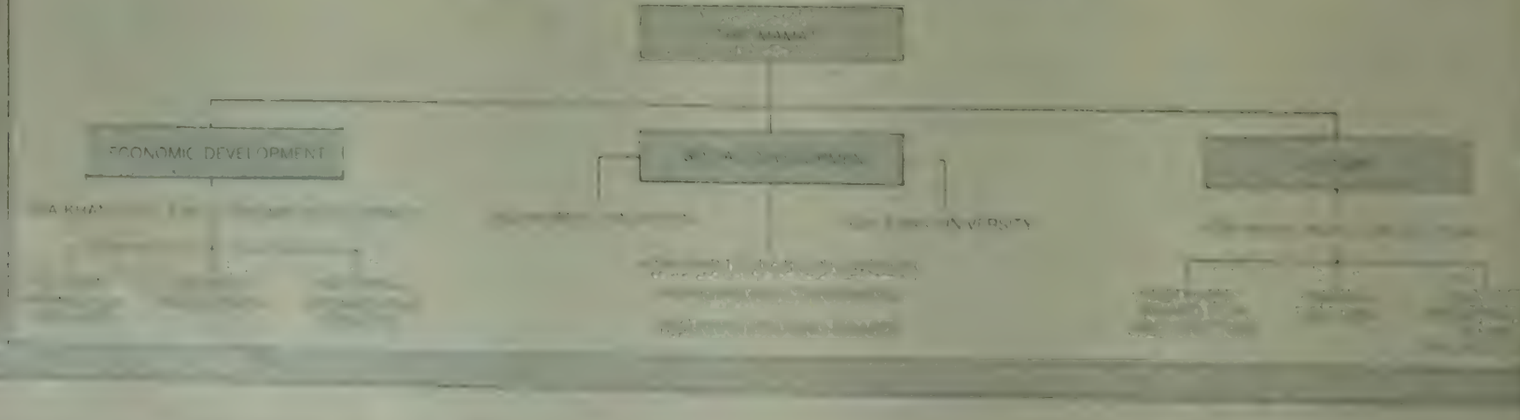
The Aga Khan Health Services S.A. (AKHS) is a central service company incorporated in Geneva. It operates through individual national service companies and looks to the AKF and the department of health, education and housing at the Aga Khan's secretariat for technical advice. AKHS caters to two million people worldwide every year at its six hospitals, four maternity homes and 238 health centres. Annual spending by these various organisations is in the region of $ 40 million. In India, health activities provide medical facilities at the 83-bed, Prince Aly Khan Hospital at Bombay, and 31 health centres and sub-centres.

The Aga Khan Education Services operate around 300 educational facilities ranging from daycare centres to with the International Financial Corporation (IFC) and the ICICI in setting up the Housing Development Finance Corporation (HDFC). More recently AKFED has co-promoted along with the IFC and the HDFC, the Gujarat Rural Housing Finance Corporation. Future areas of interest in India, according to Poonawala, could be venture capital, provided the right secondary and vocational schools in Asia, Africa and the Middle East catering to 50,000 students. In India, AKES runs 16 hostels which provide shelter to 1,400 students, two schools in Bombay and four in Southern India with a total student strength of 4,500. Founded in 1983, the Aga Khan University in Karachi has an on-campus 654 bed teaching hospital and medical and nursing schools.

Filling a niche. The second arm of the network is the Aga Khan Fund for Economic Development (AKFED), with its three distinct branches. Industrial Promotion Services is a development company founded in 1963 with the express purpose of setting up private initiatives in the Third World. According to Anwar Poonawala, who holds this portfolio at Aiglemont, France, the aim is to fill a required niche in the particular country. Long-term projects, preferably export oriented and with government approvals are preferred. "AKFED acts not just as a banker but as an active, equity partner. The emphasis is on professionalism and hands-on management," says Poonawala. Tourism Promotion Services, established in 1971 and run by the Aga Khan's brother, Prince Amyn, owns and operates the Serena group of hotels and lodges in Kenya and Pakistan. The Serena concept highlights the use of local architecture and landscaping to fit into the local environment.

AKFED's financial institutions un-

THE AGA KHAN DEVELOPMENT NETWORK



tute of Rural Management Studies.

Apart from these sites of rural development activity, the Aga Khan's visit encompassed a children's day-care centre at Maliya Hatina, a secular village project run by the Aga Khan Education Services. Aimed at developing pre-cognitive skills

"An attachment to the soil of Gujarat"

of pre-primary children, AKES day-care centres also provide, according to education officer Nirupa Bhangar, health and nutrition schemes. Currently about 2,000 children are enrolled in AKES 43 centres (41 in Gujarat and 2 in Maharashatra) Fees are as low as Rs.5 per month though the actual monthly cost is Rs.25 per child. (Such is the economic background of the beneficiaries that a tuition fee hike in mid 1987 to Rs.7 per month resulted in a 30 per cent drop in enrolment; the hike was immediately reversed!)

Health care

At Jonpur village, close to Junagadh, a small health sub centre has been converted into a full-fledged medical centre with both in-patient and out- patient facilities. A project of the Aga Khan Health Services (India), the medical centre forms the nucleus for the primary health care work conducted by the AKHS. In this, explains Kabir Mitha, chairman, "Our purpose is more promotive and preventive rather than just curative." Manned by a 10- member staff of paramedics, nurses and doctors, the centre has been catering to the needs of seven surrounding villages since it began in December 1987.

While visiting the centre, the Aga Khan recalled his earlier visit in 1983 when the foundation stone had been laid and it was just a barren land, a paper project that rested on hope. "Quality of service and equality of people will be its fundamental principles," he promised.

Can merely a good looking medical facility in the middle of nowhere have more than a superficial impact on rural health? Recognising that health is linked inextricably to economic development, the need, says Bill Steeler in charge of AKHS worldwide, is to adopt an integrated approach and a multi sectoral, network-wide strategy has been recognized. The infrastructure and expertise of allied education and rural support services will be drawn upon specifically for this purpose.

Independent observers on the social development scene comment that, though small in size, they are well conceived and implemented. Kirti Shah, social worker and founder, Ahmedabad Study Action Group says, "good work is being done."

Though modest in scale, these projects signify a quiet rural revolution in their respective spheres. For the Aga Khan what is more important "is the approach to development that these services are striving for, rather than their size... I am convinced that what we are trying to do is understood in Gujarat with exceptional sensitivity." The greater goal, he says is "not just the growth of services, but a kind of rebirth... We seek to create a fresh sense of hope, a sense of real alternatives in those who now live at the margins of life."

In this, the Aga Khan's low profile network of development institutions have made more than just a beginning.

■ NAAZNEEN KARMALI

dertake lease hiring, merchant banking and insurance in Asia and Africa. The Diamond Trust of Kenya is one of its largest finance companies with assets of $ 100 million. In India, the Aga Khan Foundation was co-promoter tax framework exists. Banking activities are concentrated in one institution. The Development Co-operative Bank, the fourth largest co-operative bank in the country, has deposits worth Rs.133 crores. Formed by a merger in 1981 of the Ismailia Co-operative Bank Ltd and the Masalawala Co-operative Bank Ltd, it was accorded a scheduled bank status last year and has 24 branches, most of them located in Bombay.

Focus on the arts. The newly established institution is the Aga Khan Trust for Culture established in 1988 in Switzerland. It incorporates the Aga Khan Award for Architecture which was set up in 1977 and awards up to $500,000 every three years to prize-winning architectural projects.

The Zamana gallery situated in London focuses public attention on the arts, architecture and culture of the developing world. With grants made in 1979, the Aga Khan Program for Islamic Architecture is conducted at Harvard University and the Massachussetts Institute of Technology, USA. The latter currently runs a masters degree programme in design for Islamic Societies.

All the above are co-ordinated and overlooked by the hub of activity, the Aga Khan's secretariat at a chateau in Aiglemont, his residence and office situated 45 km from Paris. About 100 people man the secretariat most of whom are non-Ismailis. Key advisors form a seven-member management board. With diverse professional qualifications, they have one thing in common — they are experts in their respective fields.

■ NAK

BHOPAL

An ignominious settlement

With the $ 470 million (approximately Rs.715 crores) settlement last week in the Bhopal gas leak case, expediency has triumphed over justice; and a historic opportunity for restraining corporate irresponsibility and recklessness has been irrevocably lost.

The Supreme Court — our ultimate guarantor of equity and justice — has put its seal of approval on a settlement in which the government of India has meekly agreed to accept barely more than one-fifth of the amount it had originally claimed as compensation from the US courts. Worse, the amount is in full and final settlement of all claims and liabilities; all civil as well as criminal cases against Union Carbide and its officials, wherever pending, have ceased with this settlement.

The company which, through the criminal negligence of its high officials, perpetrated the worst industrial disaster in history, is now free to resume business as usual.

Not surprisingly, Union Carbide is pleased; it promptly announced that it agreed with the court's assessment which it considered "fair and reasonable". Whether the victims will also think so is not known as we go to press, but will shortly become clear when the terms of the settlement have had time to sink in. While the settlement will provide some immediate and much-needed relief, and may even be welcomed on the ground that something is better than nothing, it is extremely doubtful whether the victims will feel that justice has been done.

Scot free

The injustice is indeed palpable, not only because the compensation is so obviously inadequate, but even more so because of the failure of our system of justice to hold anyone responsible for what can only be described as mass murder. A drunken driver who runs over and kills a pedestrian can be hauled up and put behind bars, but the corporate officials whose negligence undoubtedly led to the Bhopal holocaust haven't even lost their jobs!

We have consistently argued in these columns that not just this settlement but any settlement would be objectionable and repugnant to our sense of justice and fairplay, precisely because it would mean that the company and its officials would no longer have to stand trial, and consequently, the real cause of the unspeakable horror and the individual responsibility for it would never be established.

It has been argued against such a position that a long-drawn-out trial is a luxury that the victims can ill afford, and that a settlement would have been in the victims' best interests since it would immediately help alleviate their sufferings, at least to some extent. This is a paltry argument, masquerading as concern for the victims' welfare.

Surely this nation is capable of looking after the victims of this tragedy and ensuring their rehabilitation, without depending for this purpose on monies received from a mere corporation. The honourable thing would have been to shoulder ourselves the task of looking after our own people who have suffered so grievously, while going all out to bring the case to trial, establish culpability, obtain full financial reparation, and also press criminal charges.

This is what should have been done, not because we seek retribution in the spirit of "an eye for an eye", but above all because a trial would have offered a unique opportunity to establish more responsible norms of conduct on the part of corporate executives who develop, install and operate highly hazardous technologies. Corporate entities today control technologies that can cause mass deaths and threaten the integrity of the biosphere. Yet, we have today, a system in which corporate executives, whose actions and decisions have had such deadly consequences, go scot free, and the corporation itself continues in business as before, not seriously affected by the compensation it has been obliged to pay.

Giant step backwards

The highest court in our land has, however, spurned this historic opportunity and has chosen to perpetuate the status quo. Ironically, in doing so, it has bypassed its own landmark judgement written by the then Chief Justice P.N. Bhagwati in the Shriram case, and has thereby taken a giant step backwards.

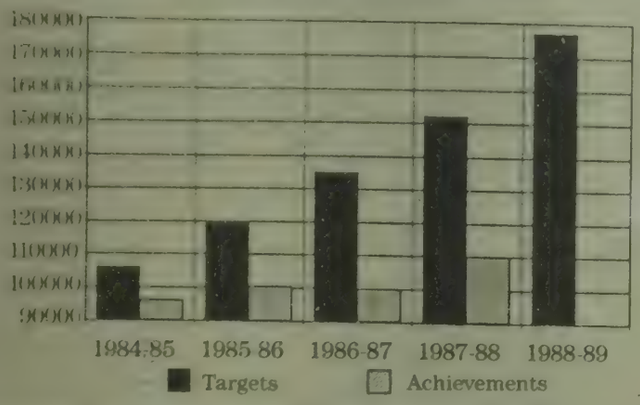
And all this for a settlement amount of Rs.715 crores that is grossly inadequate by any reckoning. Evidently, the figure is wholly arbitrary and has no rational basis. The government of India is now in the embarrassing position of claiming that this amount is reasonable and adequate, which, if true, amounts to an admission that the amount originally claimed from the US courts — Rs.3,300 crores — was shamelessly inflated.

The truth, of course, is that even the original claim was an underestimate. Other, more methodical and reliable estimates, such as the one by the Citizens Commission on Bhopal, have put the minimum compensation for economic losses and relief and restitution over the next 30 years, at $ 4 billion. This figure is calculated on the basis of expected loss of income in Indian conditions, and large as it may seem, comes to only some $ 650 per person per year for 205,000 people over 30 years — a modest sum by Indian standards and paltry in US terms. If, in line with US norms, compensation for non-economic damage such as pain and suffering, emotional anguish, loss of companionship or parental support is also taken into account (at $ 4 billion), and if punitive damages intended to deter the perpetrator from similar behaviour in future ($ 8 billion) is added on, the total compensation would need to be around $ 16 billion.

The conclusion thus seems inescapable: for reasons on which we need not speculate, the government of India has agreed to, and the Supreme Court has ratified, an ignominious settlement that has let the people down. The suffering of thousands who died or have been maimed for life would not have been in vain if the historic opportunity it offered had been grasped with vision and courage; but that opportunity has now been squandered. The next opportunity may prove even more deadly.

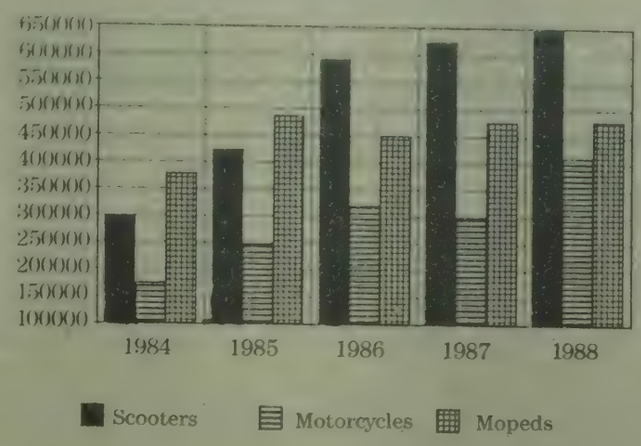
■ RUSI ENGINEER

Production of commercial vehicles



Over the last few years the automobile industry has seen a significant development both in terms of growth and quality. In the commercial vehicle sector the growth has been in light commercial vehicles which has grown from 33,160 units in 1984-85 to around 40,000 units (estimated) 1987-88. On the other hand production of heavy and medium commercial vehicles has declined from 62,844 units in 1984-85 to 60,104 units in 1986-87. According to the perspective plan for the automobile industry, production of commercial vehicles will be around 195,000 units by 1989-90.

Production of two-wheelers



There has been a significant rise in the production of two-wheelers in recent years. Scooter production has notched up the highest increase in the two-wheelers category between 1984 and 1988 followed by motor cycles and mopeds. Also, scooters accounted for 42.2 per cent of total production in 1988.

Bullion prices and stock market index: The price of gold in Bombay has fallen but that of silver has been rising. The stock exchange index has increased by more than 50 per cent over the year.

	10 Feb 1989	10 Jan 1989	10 Feb 1988	% change over month	% change over year
Gold (Bombay)	3,250	3,250	3,300		− 1.50
Gold (London)	1,926	1,965	1,859	− 2.0	3.6
Silver (Bombay)	6,734	6,491	6,191	3.7	8.8
Silver (London)	2,873	2,895	2,665	− 0.7	7.8
Bombay stock exchange index (1978-79 = 100)	669.80	660.41	423.92	1.4	58.0

Gold prices are in rupees per 10 gm and silver in rupees per kg

Money and banking (scheduled commercial banks): Broad money (M3) has been rising during the month but aggregate deposits have fallen. Total credit is down by Rs.160 crores over the month.

(Rs crores)

	27 Jan 1989	30 Dec 1988	29 Jan 1988	% change over month	% change over year
Broad Money (M3)	1,87,557*	1,86,839	1,59,509	0.38	17.58
Agg. deposits	1,38,333	1,39,440	1,17,150	− 0.79	18.08
Bank credit	80,535	80,123	69,181	0.51	16.41
Food credit	786	1,358	2,763	− 42.12	− 71.55
Credit/dep. ratio	58.22	57.46	59.05		

* *Provisional for 13 January 1989*

Wholesale price index: The wholesale price index of all commodities has risen. In primary articles, the price index of oilseeds fell but was offset by the increase in cereals and pulses.

(1970-71 = 100)

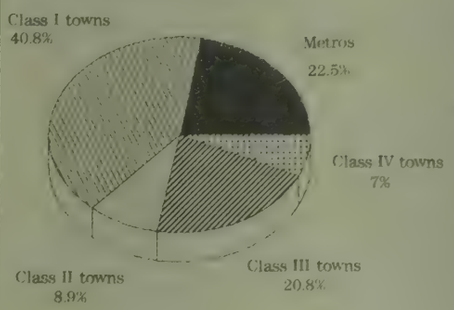
	14 Jan* 1989	17 Dec* 1988	16 Jan 1988	% change over month	% change over year
All commodities	437.9	434.4	417.3	0.80	4.93
Primary articles	419.4	417.7	391.0	0.40	7.26
Mfg. products	410.5	407.0	397.2	0.86	3.35

* *Provisional*

The domestic market for coffee is estimated at 7,740 tonnes, valued at Rs.60.4 crores. Of this, instant coffee accounts for 38 per cent and conventional coffee, 62 per cent. The south accounts for 81 per cent of total consumption, followed by the west with 12 per cent.

Market by population strata

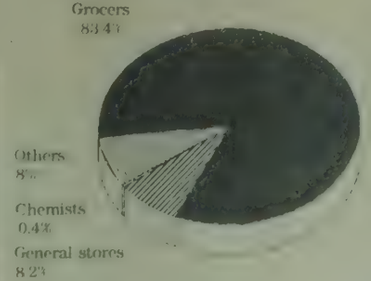
Total market: 7,740 tonnes



Class 1 towns account for 40.8 per cent of the total coffee market. This is followed by the metros and Class 2 towns.

Market by types of outlet

Total market: 7,740 tonnes



In the coffee market, grocers account for 83.4 per cent of sales. General stores, chemists and others account for the balance 16.6 per cent.

UP-DATED CONSUMER BEHAVIOUR REVEALED

The NCAER Reports for All-India Household Market Survey for 1988 are now ready.

For all professional Marketing and Advertising planning

THE REPORTS COVER

A. MISH - Market Information Survey of Households on

- Who buys?
- How much do they buy of each product and which brand?
- What is the current household stock of consumer durables of Indian or foreign origin?
- What is the family, economic, social profile of the buyers?
- Why did they buy the product/brand they bought?
- What is the age distribution of the durable?
- What consumer durables do they intend to buy next?

1. Consumer Expendables

Washing -- Cakes & Powders
Toothpastes and Tooth Powders
Cooking Mediums — Oil/Ghee/Vanaspati
Butter
Razor Blades
Toilet Soaps
Body Talcum Powder
Face Creams
Shaving Sticks, Creams and Rounds
Cigarettes
Biscuits
Black/White & Colour Films
Footwear -- Leather
Footwear — Casual/PVC/Canvas and other Synthetic Material Covered Uppers
Electric Bulbs and Tubes
Tea
Coffee
Beverages — Health Beverages
Beverages — Aerated Water, Soft Drinks and Concentrates
Baby Foods
Hair Oils and Creams
Shampoo

2. Consumer Durables

Pressure Cookers
Mixers/Grinders
Electric Irons
Ovens — Gas and Electric
Cooking Ranges
Stoves — Kerosene/Electric/Gas
Refrigerators
Sewing Machines
Airconditioners
Room Heaters
Wrist Watches
Dish Washers
Electric Fans — Table/Pedestal/Ceiling
Television Sets
Radio/Transistor
Cassette Recorders/Players
Motorised Two Wheelers — Mopeds/Motorcycles/Scooters
Bicycles
Moulded Suitcases & Briefcases/Soft Leather Top Suitcases
Washing Machines
Cameras
Video Players & Recorders

B. BASIC INFORMATION ON MEDIA EXPOSURE

Authentic data collected from 500,000 representative households selected from every district in the country covering all strata

The basic vital information on media exposure of households for every advertiser and professional advertising agency

Coverage and Content . You will get to know:

- What MEDIA is the households exposed to?
- Which PUBLICATIONS (by name) are the households exposed to?
- Who actually are the people — by sex, age and socio-economic strata?
- How many households listen to the RADIO?
- What time do they watch TELEVISION and what type of programmes are preferred?
- How many households are regular/occasional/rare viewers of Cinema?

C. MECAM — MONITORING AND EVALUATION OF CAPITAL MARKETS

A bi-annual study, conducted twice a year so as to cover the slack and busy periods, i.e., April to September and October to March

Vital Information for all Banks & Financial Institutions.

A systematic study of the behaviour of the capital market and of the factors influencing this behaviour aspects which are available aids to decision making.

Review

1. The Economy

— Output trends in agriculture.
— Output trends in manufacturing industry
— Trends in infrastructure
— Trends in money supply and prices.
— Trends in imports, exports and balance of payments
2. Changes in government policies affecting the private corporate sector

Evaluation

1. Financial profiles of companies entering the market for raising funds.
2. Performance analysis of public issues and identification of significant relationship between performance and factors influencing performance.
3. Indicators of share price movements
4. Capital issues cleared
5. Capital issues implemented and subscribed.
6. Details of industrial licences issued.
7. Mobilisation through public deposits (subject to data availability)
8. Disbursement of loans by major term lending institutions

PERIOD OF SURVEY : **April 1987 — March 1988**

: 500,000 Households, for Consumer Durables and Media
16,000 Households, for Consumer Expendables.

: Covering 600 towns and 1,000 villages representing every district in India

For full details and ordering your copy of the Report please contact:

Bombay - Mr. [illegible] **SPAR MARKETING**, Indian Mercantile Insurance Building, 2nd floor, 3rd Forbes Street, Bombay 400 023
Tel.: 242446, 234874, 233665 & 233126

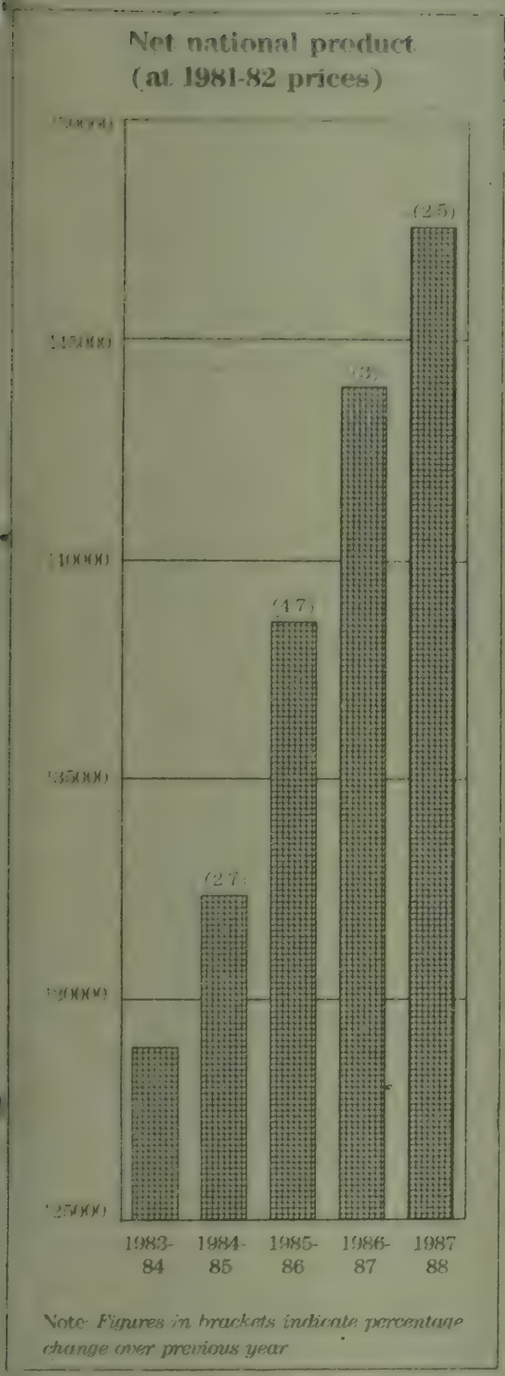
Delhi - Mr. [illegible] **SPAR MARKETING** 116 Building No. 5 Shivaji Camp, Phase New [illegible]

Calcutta — Mr. S. Shome, Director, SPAR MARKETING, 12A, Heysham Road, Calcutta-700 020.

or directly to

NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH [illegible]

The bounce is not lost



The resilience of the Indian economy is now beyond doubt. According to the Report on Currency and Finance 1987-88, made by the Reserve Bank of India, real national income has grown by 3 per cent in 1987-88, as against an expected growth rate of 2 to 2.5 per cent, despite the severe drought in 1987. Even though the growth rate was below the long term trend rate of 3.7 per cent, established during the period 1951-52 to 1985-86, it was a definite improvement over previous drought years when real income actually declined.

The rate of net domestic saving, which had increased marginally from 12.9 to 13 per cent in 1986-87, has fallen sharply to 12 per cent in 1987-88. This has resulted in a sharp decline in aggregate net investment by 1.3 points to 14.2 per cent in 1987-88. The decline in the savings rate is largely a result of the fall in the savings rate of the household sector and the dissaving by the public sector. The dissaving has increased from Rs.2,968 crores in 1985-86 to Rs.5,186 crores in 1986-87 and is expected to be Rs.5,863 crores in 1987-88. As a result, the share of household sector in net domestic savings has increased from 106.6 per cent in 1985-86 to 114.9 per cent in 1987-88.

This decline in savings, according to the report, is due to the poor performance on the agricultural front. During 1987-88 agricultural production is estimated to have declined by 2.8 per cent, over and above a 3.6 per cent decline in the preceding year. The decline in 1987-88 would have been higher, if not for the stringent measures taken by the government for optimum use of water resources and the consequent increase in Rabi production to 64.5 million tonnes from 62.6 million tonnes in 1986-87.

In spite of the steep decline in agricultural production, industrial production was up 7.7 per cent in 1987-88, as against 9.1 per cent in the preceding year. As a result of the deceleration of the annual growth in 1987-88, the average rate of growth of industrial production of 8.9 per cent, attained during the first two years of the Seventh Plan, moved down to 8.5 per cent. But this is still higher than the 8 per cent growth rate targeted for the Seventh Plan period.

Infrastructure industries recorded a lower growth rate of 6.1 per cent in 1987-88, against 7.5 per cent in the previous year. Only the coal sector showed acceleration in growth while electricity, petroleum refinery products, saleable steel and cement performed badly.

Of the 17 major groups in the manufacturing sector, the report points out, only chemicals and chemical products, electrical machinery, and other miscellaneous manufacturing industries performed better than the average growth rate. However, five industry groups recorded negative growth rates ranging from -34.3 per cent for wood and wood products to -1.4 per cent for non-metallic mineral products.

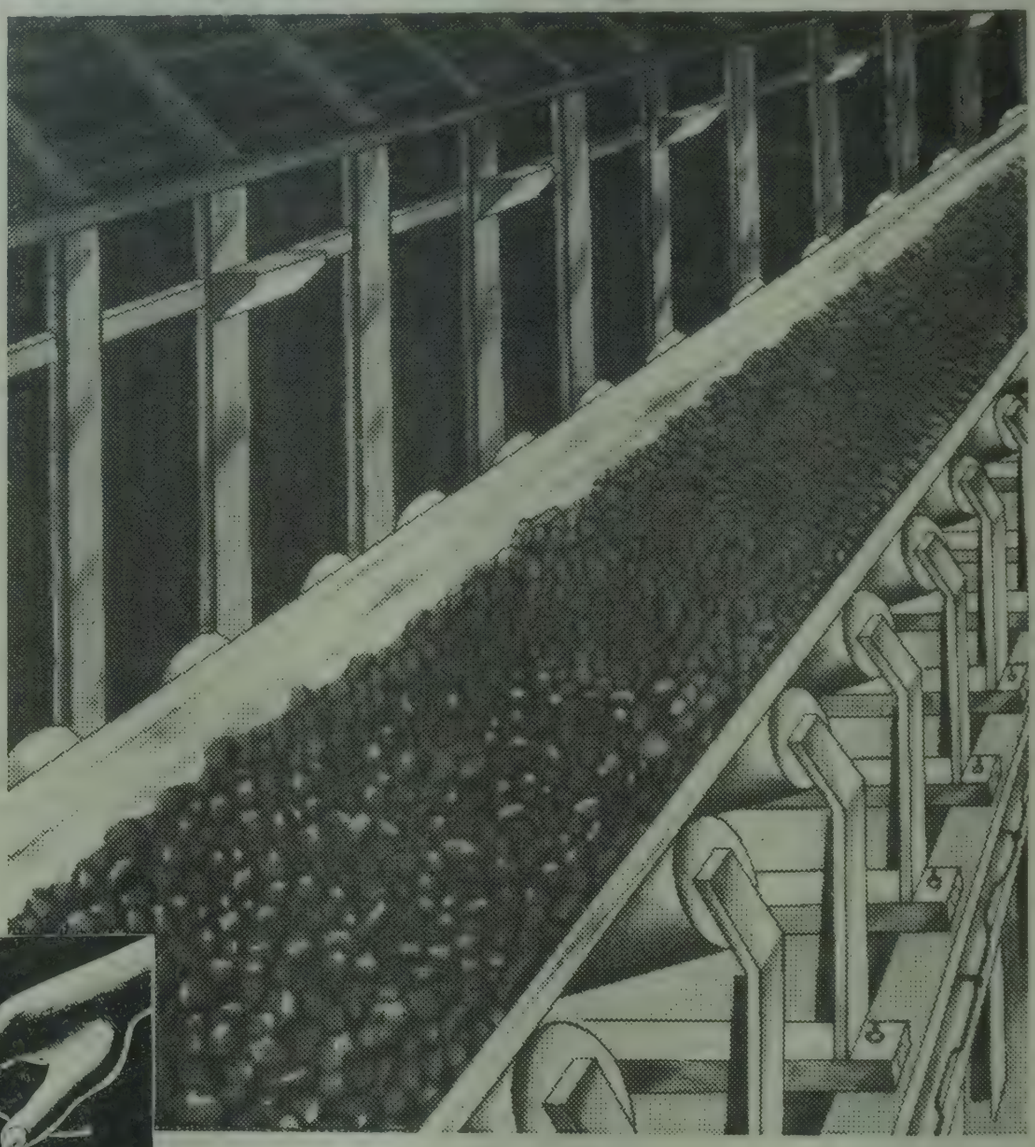
The small scale sector has continued to do well and the value of production was estimated at Rs.72,880 crores in 1987-88, up 13 per cent over the previous year. The increase in production was largely due to the steep rise of 32 per cent registered in export earnings; this accounted for 5 per cent of total production. This certainly is better than what is currently achieved by the larger private and public sector industrial concerns. It will be recalled that, in order to meet the growing cash demands of the SSI, the government has set up a Small Industries Development Bank with a share capital of Rs 250 crores. This bank will administer both the Small Industries Development Fund and the National Equity Fund.

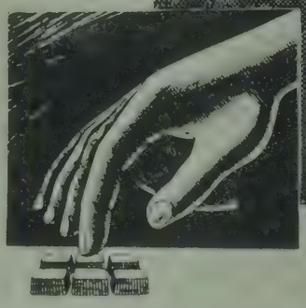
The report points out that industrial sickness is growing. The total amount outstanding in non-SSI sick industrial units as in June 1987 was Rs.2,680.44 crores. In the small scale sector it was Rs.1,542.25 crores. The RBI has set up a working group to examine the norms for advances to both sick and healthy units by the banks and financial institutions.

Prospects for 1988-89, for both agricultural and industrial sectors, look encouraging. This in turn, would give a boost to real national income which, according to the RBI report should be around 9 per cent.

ASPI T. CONTRACTOR

Bulk material on conveyor belts...





... weighed with a feathertouch!

Measurematic accuracy sets the new weighing standard!

In today's increasingly competitive environment, weighing accuracy and efficiency contribute significantly to operational successes and profits

Measurematic's all-electronic, micro-processor based state-of-the art systems provide just that impetus that lets your industry match the strides of advancing technology, and leads to enhanced profitability

A range of applications ... that include

- In-motion Weighing Systems
- Batching Control Systems
- Static Lorry Weighing Systems
- Belt Weighing & Weighfeeder Systems
- Bin/Silo Level & Weight Monitoring Systems
- Automated Load Control Systems

All systems from Measurematic are backed by excellent pre and post sales service through a network of committed and trained engineers and well stocked service centres countrywide

MEASUREMATIC

indchem

Office Automation
Medical Electronics
Electronic Weighing and
Industrial Automation

Electronic solutions from man to machine.

AUTO MEASUREMATIC LIMITED [illegible] ery Road, Guindy, Madras 600 032. Tel: 410171 Tlx: 41 21091 AML IN

■ Calcutta [illegible] Tel: 434227 Tlx: [illegible] 541 GEON IN ■ **New Delhi**: [illegible] ■ **Bombay**: [illegible] Road and Sion-Trombay Road, Chembur, Bombay 400 071 Tel. 520623 ■ **Secunderabad**: Road No.4, 137 Marredpalli

Between Marcos and chaos

The opposition was in full spate last fortnight. While Swamy kept up his prattle on Swiss accounts of the powerful and the infamous, his only achievement was in making people wonder whether the shadowy (or is it just plain shady) Herschman was running the Indian nation.

Such silly notions aside, the ragtag bunch of "alternatives" have continued to make the usual noises about each other. The one noteworthy feature about the Opposition alliance this time though, is the slow deliberation with which it is being cobbled. Those involved in the coalition efforts are unanimous in their belief that only such a slow and deliberate process will have any degree of resilience.

This is in stark contrast with the last Janata *kichree*, which apparently people in most parts of the country have still not forgotten, or forgiven. But opposition stalwarts say that the squabbles, that today provide endless grist to political observers are all only the more visible aspect of the beginnings of some inner party democracy. Debate, discussions and disagreements at this stage, they say, are the key to a party structure that could at some stage be a "viable alternative". So the confusion about the Jan Morcha versus the Janata Dal, the bickering between the National Coordination Committee and the National Front and the uneasy "relationship" between the CPI(M) and the BJP are all OK, they say.

The primary constraint for the moment however does not seem to be the coalition process. There are pundits who insist that the political options available even today can be best described as "between Marcos and chaos". The current regime, says this analysis, seems headed towards a greater concentration of power and self-aggrandisement and the prospective regime seems to suffer from the chaos of alternatives. In this kind of choice vector, an air of helplessness and apathy seems to be the dominant mood.

This mood is specially prevalent, say some analysts, because the opposition has still to present a blue print for society that differs radically from the Congress's own spoutings. For example, while Hegde may speak of decentralisation, Rajiv Gandhi thunders that panchayats are the key and gathers village pradhans for a Delhi jamboree. So, for the moment, there seems little to choose as far as ideologies go.

Rajiv: strength of the opposition

And there lies the rub. The biggest strength of the Opposition today is Rajiv Gandhi (and perhaps vice versa too). So, all eyes are trained on how Gandhi maintains control of his party, post the Tamil Nadu debacle and the revolts in Bihar, Gujarat, Rajasthan and Madhya Pradesh. All attention is focused on the next big boo-boo that the boys seem trained to commit every month.

Politics, as they say, is a waiting game. At the moment, waiting for unity on the one hand and waiting for a blunder on the other.

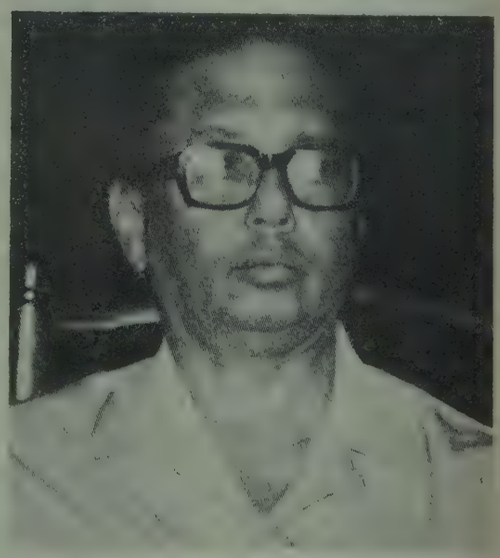
Key decisions

Speculation about changes at the very top of the bureaucracy are rivalled in New Delhi only by knowledgeable guesses about the when and what of cabinet reshuffles. And the season just before the budget has been the silliest of such reasons for a while now.

It seems to be the acceptable logic now that three key posts are due for some kind of change in the next few months. They are that of the cabinet secretary, the finance secretary, and the secretary to the prime minister. Though the current incumbents all have a month and more of their tenures in hand, it is clear that the changes there is the most critical decision that Gandhi will have to take in the next few weeks. And so far, the Rajiv government has chosen to wait till the very last second before these key appointments are decided.

The only exception to this bureaucratic indecision is the choice of the foreign secretary. In the fitness of things (or is it in the realm of convenience), the senior-most officer was appointed to the top post and his junior given the next most important slot. The process attracted the least flak because for once the rules had been followed.

The trouble of course is that in the



Venkitaramanan: difficult to replace

three appointments that now need to be made, an exercise of judgement is called for. For example, the senior-most amongst secretaries — and therefore a contender for cabinet secretaryship — is P.K. Basu, who is not an IAS officer. Ticklish questions and options that require resolution by the top man alone. The other two appointments are equally fraught with difficulties — the choice of who will head his personal office is a matter on which his gut instinct will have to work. But where the finance secretary is concerned, the need is for a tough negotiator — who may well need to parley with the IMF for a new loan in the space of a year. The options seem few and the decisions therefore difficult.

A quick crack of this log-jam seems called for. Will dramatic options of going back to old retainers be the solution or will the current bout of bureaucratic atrophy be allowed to continue. One man holds the key.

■ DILIP CHERIAN

Can prices come down?

Yes, if the government is willing to go in for radical policy changes. But, it is doubtful if an election year budget will be able to achive this. Nevertheless, that is what the middle class voter expects from Rajiv Gandhi

The poor and middle classes in the country are fed up with mere promises. Year after year, come budget time, they are told to tighten their belts and raise savings which need to be invested for future growth. In economic terms, the savings can be either voluntary or compulsory, by way of additional taxation, which the government then, in theory, invests on their behalf.

Of course, this year, with an election looming large, everyone expects a populist budget. There will be a little tinkering here and a little there, a few sops too. The government will make a show of better collection of taxes as also tighter control over government expenditure, and leave a large deficit to be financed by borrowings. As usual, the finance minister will claim that prices will rise only by a few per cent in the year, when in fact they'll jump by those few per cent within weeks.

But this is hardly the way to win an election. The prime task, particularly in an election year, is to change the psychology, mood and mind of the public. The government must show that things can change and prices can come down substantially. This is one way that Rajiv Gandhi can woo the middle class vote back.

Kaushik Basu, a senior professor at the prestigious Delhi School of Economics, says, "It is unrealistic to expect the budget to bring about a major restructuring of the economy. This can only be done once in five years and was sought to be done by the long-term fiscal policy. There is a general sense of boredom about the budget and the budget is bound to tinker with a few things and try and please everybody."

The main concern

Gurpreet Singh, chairman of Continental Devices, Delhi, and a former chairman of Confederation of Engineering Industries, says: "One of my biggest concerns is the cost of goods to consumers and my real worry is that there is a lack of confidence in the rupee. That's why land prices are shooting up throughout the country, as a hedge against inflation."

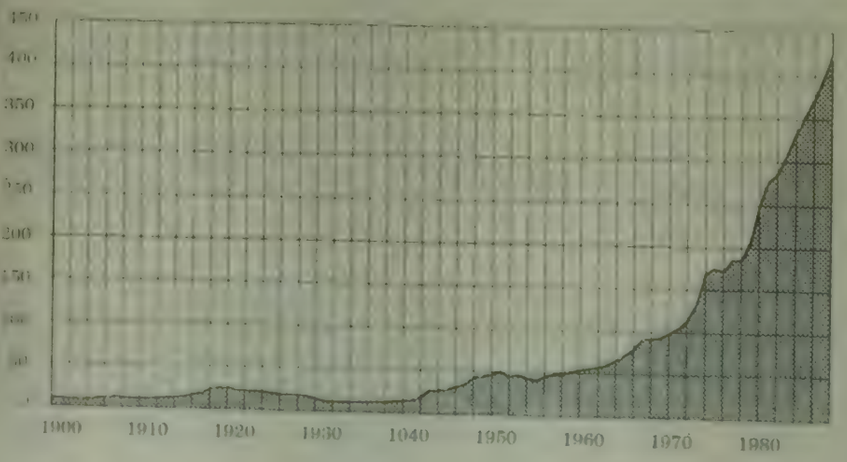
Nobody in India seems to believe that prices can come down. Yet, clearly, experience worldwide has been that government can help bring down prices, sometimes dramatically. For example, fuel prices worldwide are significantly lower — almost half of what they were after the oil shocks in the mid-seventies. Every few months in India we see headlines of dramatic oil or gas strikes. Yet the price of petrol rises year after year. Government apologists are quick to point out that kerosene prices have not gone up and diesel prices have risen only marginally over the years. "Can you imagine the effect of a dramatic gesture of reducing the tax on petrol by 10 or 20 paise per litre? For once auto and taxi fares will not rise immediately after the budget," says a Bombay-based executive.

To be fair to the government, the economy has changed significantly over the last few years. In fact, the process of liberalisation began slowly towards the end of Indira Gandhi's rule. It was significantly accelerated by the present government. While most of the rules and regulations still remain on the book, the government has permitted very significant additions to productive capacity. The message it wishes to send is that industry ought to produce as much as it can.

The process of liberalisation has worked its way through and produced the desired results in several areas. Prices of several items have come down (or at least the black market premium has disappeared). Take cement, computers, televisions, and two-wheelers. In each case, production has multiplied, the items are available off the shelf. And decontrol and competition have already started pushing aside the inefficient, non-competitive producers. A buyers' market has emerged.

But because this has happened over a period of time, the impact on the public psyche has not been dramatic. What is more, critics of the government allege that the progress in this direc-

Index numbers of wholesale prices: 1900 to 1988



Base: 1970-71 = 100

tion has been much too slow. They point to the sharp changes brought about in less time by Gorbachev's perestroika. Thatcher in Britain has also taken more radical steps. Rajiv Gandhi, who the public voted in with the hope of rapid change, seems to have been left behind.

The key is convincing people that they have a bright future, and that things are going to get better every year. People tolerate hardship and privation as long as they can be sure that their children will have a better future. The tragedy of Indian planning has been that the public has lost complete hope and sees no light at the end of the tunnel. Instead everybody harks back to the good old days.

What then should the government do? This year's budget, of course, has been finalised and is ready for printing. But *Business India* decided to look at some of the main areas of concern. We talked to academics, industrialists, bureaucrats and social thinkers. We looked at key areas of the economy where the government could act decisively, provided it has the imagination and will to do so.

Prices

It is not surprising that middle class people talk about the good old days. India certainly used to be one of the least expensive places in the world. And inflation was very low. The index number of wholesale prices tells an interesting story. Using 1970-1971 as the base year for comparisons (1970-71 = 100), the index in 1900 was 10. It fell or stayed steady for ten years, and started climbing during the First World War. It doubled by the end of the War, then fell to 12.1 in 1938 and again doubled during the Second World War. In 1947 it was 34.5 and rose every year after independence (except in 1950). It crossed the 400 mark early in 1988. Currently it stands at 437.5. Little wonder then, that nobody believes prices can ever fall.

While inflation has been a worldwide phenonmenon since World War II — and compared to most other developing countries, our record has not been too bad — the fact remains that comparatively, our growth rate too has been very low and we have been saddled with a large, and obsolete, high cost economy.

What is worse is that the Central government has, year after year, hiked indirect taxes (mainly excise and customs duties) at every stage of production. The justification has always been the need for resources for the development plans. Not to be outdone, the state governments have also merrily piled on sales taxes, octroi and other local taxes. Fortunately, though only recently, the government has realised the folly of building a high cost economy based on high taxes. Prices of basic needs such as medical care and housing have shot through the roof. Housing, especially, has turned into a middle-class nightmare. But more on this later.

Let's go back to the idea of a dramatic cut in excise duties of a key item like petrol. While a small cut of 10 or 20 paise per litre will hardly make a difference to government revenues, the psychological impact would indeed be great. Moreover, marginally lower prices of key products like steel, petrochemicals, cement, fertilisers, and machinery would translate into lower costs in a host of areas, with the benefit trickling down to the common man.

A long list of goods have traditionally been branded as luxury items by successive finance ministers and taxed to dizzying heights. But is it not high time that politicians and bureaucrats stop and re-examine these preconceptions and stereotypes? Years of experience have shown that the really rich get what they want in any case, and that too usually from abroad. And in a modern world, a refrigerator or synthetic sarees (cotton is a luxury worldwide) or a TV are hardly luxuries.

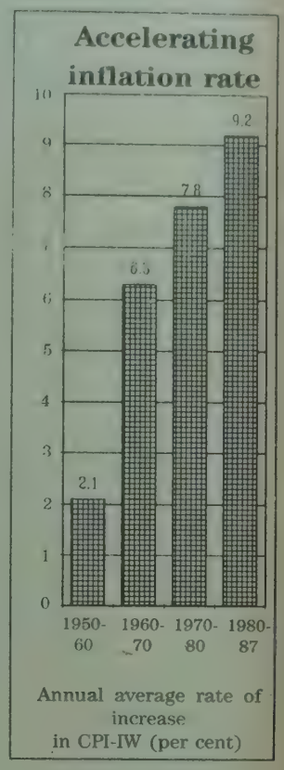
Bureaucrats and politicians need to look around themselves, examine their own lifestyles and cut out the lip service to an austere life. It is time they openly recognised that the Indian middle classes have the same aspirations and ideas, and therefore needs, as do the middle classes anywhere else in the world.

A narrow point of view

There are two standard arguments against cutting taxes. The first is that tax cuts will lead to a fall in government revenue. It is true that the immediate benefit of a cut in taxes is sometimes exaggerated in pure money terms. The tax portion of any item is only a part of the cost and therefore even a large percentage cut of the total taxes may only amount to a portion of the price. And it is unrealistic to expect production and sales to immediately jump and thus to make up in volume. But it is wrong to adopt such a narrow point of view.

The other argument is that the benefits of such cuts are often not passed on to the consumer. But once again, the experience worldwide has been that while tax cuts do take a while to pass through, competition usually ensures lower prices. A recent example bandied about in this context is the cuts in PSF and PFY prices in the last two years, which were not passed on to the consumers and did not result in lower prices.

The reason in this case is fairly simple. The PSF manufacturers, who are few in number, adopted a cartel-like approach, safe in the knowledge that imports would not be permitted, and put up their prices again very quickly. At the same time, duties on finished fabrics were barely reduced. As is well known, there is cut-throat competition amongst the powerloom weavers who weave the fabrics. Therefore, the way to have lower prices would have been to abolish duties at



Before they become good enough to live in your office, our small Electronic PABX systems have to live in hell for 17 long, hard days.

The BPL P-Series. A small EPABX that will work. Through thick and thin

Our **17-day 'hurt programme'** sees to that 7 days at 125°c for components. Next, (for the survivors). 3 days at 70°c in the sub-assembly stage: and then, double-checked by an In-Circuit Component Tester. And finally, 7 days at 50°c for fully activated finished products. To ensure that only products that live the longest reach you

The result total reliability. And India's largest installed base of electronic exchanges

The BPL 2700 Push Button Telephone. Totally compatible because it is a product of the same tough discipline that our EPABXs undergo.

A model that's tested for endurance: even the cord and handset are tested for 100,000 operations. And which comes with features like Auto Gain Control. And Auto Re-dial up to 23 digits. Plus, TRC-approval for interface with P&T network.

The P-Series comes in 3 models—from 5-57 lines. One is bound to suit you.

BPL-INDIA

In pursuit of perfection

CENTRAL MARKETING ORGANISATION

17 Telex 0845-2511 Cable PHISILAB

SALES OFFICES: **BANGALORE** **BHOPAL** 61046 **BOMBAY** Phones 4925398

COIMBATORE Phone 31052 **HYDERABAD** 9 **CALCUTTA** 558 448566 Telex 021-2390 **COCHIN** Phone 36150

NEW DELHI 6064 **MADRAS** Phones 471378 479420 474309 Telex 04 65

PALGHAT 0852 213

the fabric stage (competition would ensure that the cut was passed on to consumers) and maintain the duties at the fibre or yarn stage.

Folly of low production

The real issue in excise and other such indirect taxes is to ensure that industry is put on a strong and sensible footing for the long run. It is only now that politicians and bureaucrats have realised the utter folly of having very low production runs and consequent high costs. An industry founded on this basis can only survive within a highly protective domestic environment and can never hope either to give the domestic consumers a fair deal or to export at all.

Industry watchers concede that a cut in taxes might, in the immediate term, have an adverse impact on government revenues. But it is quite clear that over a period of time sales and therefore production begin to pick up; and as this trend continues, government revenues start rising. Our own experience over the last few years has shown that with no licensing restrictions, industry can add capacity reasonably quickly and raise production quite dramatically.

Of course, there are other constraints, be it power or foreign exchange, that can hamper the growth of any particular industry. Those are issues that need to be dealt with separately. For the moment, one is only focusing on the issue of government revenues.

There is another great advantage to cutting unrealistically high excise duties. The main area for evasion and generation of black money today is excise and not income tax. In the fifties and early sixties there was much less evasion of excise. The evasion started on a large scale as the rates became heavier and in many cases penal. There can be little doubt that if duties are at realistic levels, compliance will be better and collections will improve.

But the real benefit of sensible tax rates is that it will put industry on a sound basis for growth. Bureaucrats are now beginning to agree that heavy excise and customs duties have caused distortions in production patterns, and that these distortions have to be eliminated to allow each section of industry to grow. However, almost to a man, they oppose tax cuts to bring about lower prices. On the contrary, they argue that the level of total taxation is too low in India compared with the developed countries. By this they mean that the indirect and direct taxes are too small a proportion of total GDP, and that the share of direct taxes in the total tax revenues has come down from about 35 per cent to about 15 per cent over the years. The proportion of indirect taxes, as a percentage of GDP, has steadily increased as also their share in total tax revenues.

This may be true in economic terms. But, if key products like capital goods, raw materials and intermediates are taxed very heavily, the debilitating effects on price and demand can be far-reaching. Moreover, in our economy, the government also regularly resorts to hiking adminstered prices to raise resources. These "non-tax" resources must really come from greater public sector efficiency rather than high prices that further "tax" the public.

It is always possible to produce arguments for or against any course of action Certainly our Delhi bureaucrats are past masters at this game.

The political bosses have to take clear decisions themselves; they are unlikely to get radical ideas from the bureaucracy. After all, the bureaucracy has no elections to face; it is the politicians who must gauge the mood of the public.

But, given the huge deficit, can the finance minister afford to cut taxes even for the short run? Or will any increase in the deficit only serve to push up prices further?

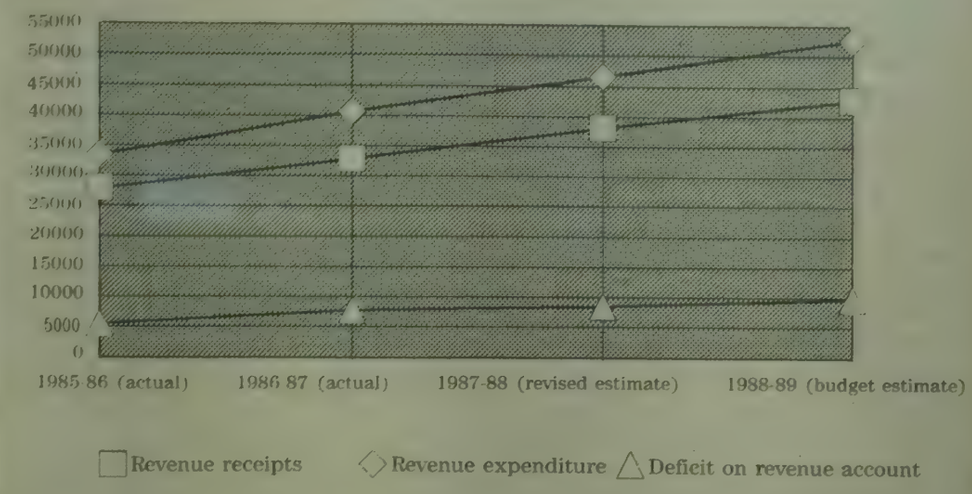
The deficit

Like about everything else, there are two views about the deficit. Some economists (called monetarists in academic jargon) believe that the bigger the deficit, the faster the price rise, because too much money chases too few goods. A deficit means that when the government runs out of money in effect it simply prints its own notes, which is a fictitious creation of money by the Reserve Bank, as distinct from real savings of the people.

Other economists (often called "Keynesians"), believe that the size of the deficit really doesn't matter. They agree that deficits artificially create money, but additional money creates additional demand. Prices might rise marginally, but in response production increases quickly and prices are kept under control. The key task is to ensure, via a variety of policy measures, that production is stimulated. They argue that prices rise for all kinds of reasons that really have nothing to do with the size of the deficit. As an extreme example, they point to the Reagan government: the deficit ballooned to a monstrous size, but inflation was held in check.

Several prominent economists argue

Increasing shortfall in revenue account



But would our government dare privatise in an election year? An interesting suggestion has been to sell shares of profitable public sector units to the public financial institutions

that we ought not to worry unduly about the deficit. Instead, we should concentrate on rationalising our tax structure and eliminating several large distortions that exist. They believe that cuts in tax rates to reasonable levels will lead to a dramatic fall in prices across the board, increase demand, and stimulate production.

These economists point out that better rates of growth recently have meant significant improvements in the supply of goods and services. Industry grew at over 10 per cent last year, and is expected to continue doing well. With the excellent monsoon, agricultural production grew by 20 per cent. They argue that there is now surplus capacity in a wide range of industries and a new mood of competition, which means that industry will quickly respond to higher demand, and a rise in prices is unlikely.

The monetarists in turn argue that supply of goods and services can only increase up to a point. In real life there are constraints including power and foreign exchange shortages, to increasing supply. Therefore, prices are bound to start rising with an unmanageable deficit.

It is therefore much more important to look at the areas in which excess government expenditure is taking place. Says a Delhi-based economist, "If expenditure is such as to be invested in new productive assets, then financing such expenditure through a deficit should not matter. Unfortunately a large chunk of government expenditure goes into entirely unproductive expenditure."

Drop unlikely

The government's budgetary deficit has risen alarmingly in recent years. During 1985-86, the Centre's budgetary deficit was only Rs.3,439 crores. Next year it zoomed to Rs.8,261 crores. This came down to Rs.6,080 crores in 1987-88. In 1988-89, it was budgeted at Rs.7,484 crores but this year, even with a good monsoon behind us, the deficit is unlikely to drop significantly.

What is worse, the government has in the last few years been incurring large deficits on the revenue account. This means that its expenses on a day-to-day basis are rising much faster than its ability to generate revenues from taxes, investments and services. Today, only about 80 per cent of the government's revenue expenditure is being met from revenue receipts.

Normally, like any family or company, the government ought to be able to meet (as it used to) all its current (non-capital) expenses from its current revenues and have some surplus to partly finance capital expenditure, with the balance of the capital expenditure being financed mainly by borrowings and a little aid. In recent years, however, the government has had to borrow not only its entire capital expenditure but also a significant part of its revenue expenditure.

There are several clear components of the deficit: expanding defence and internal security commitments, interest payments on earlier borrowings, drought relief in earlier years, subsidies on food distributed through the public distribution system, and fertiliser and export subsidies. These together account for almost 75 per cent of government revenues.

Then there are the hidden subsidies in low recoveries from power and irrigation and other such commercial departments of government. And, of course, the poor performance of the public sector (which ought to have generated substantial surpluses on the investments made before independence) in reducing the deficit is only too well known. Profits from a few areas (like oil or the RBI), disguise the appalling performance of the majority of the public sector units.

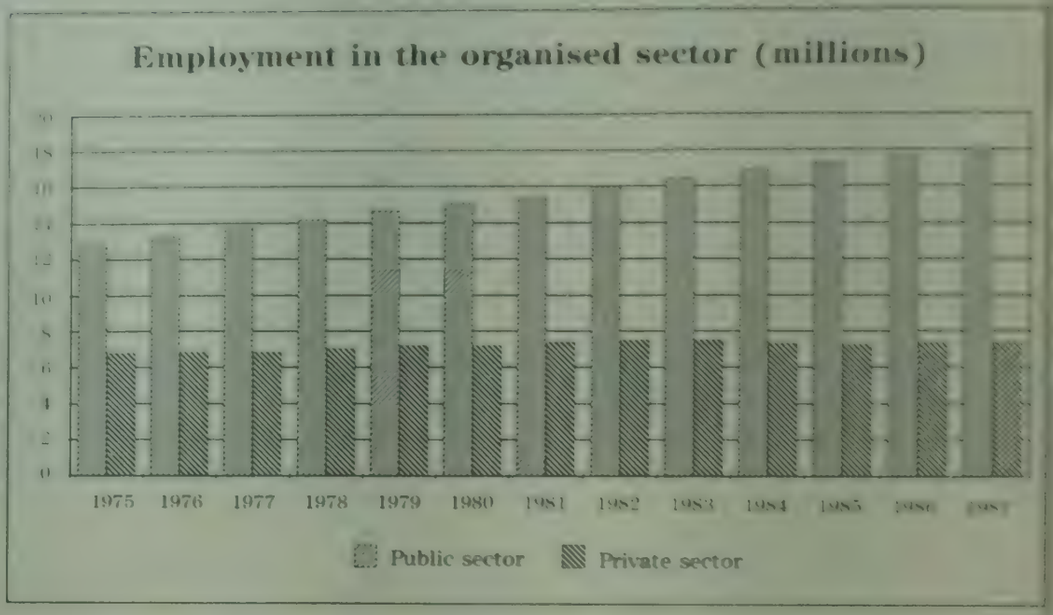
What's to be done?

What, if anything, can be done about the deficit? On defence, it is being argued that peace is breaking out throughout the world, including the sub-continent. In view of our improving relationship with Pakistan and the opening of dialogue with China, the defence allocation certainly could be frozen if not cut. Unfortunately, defence expenditure is never carefully scrutinised in Parliament, on the ground of national security. Then, there is an apparent surplus of food production, but large parts of our population continue to be under-nourished. A cut in the food subsidy or in food-for-work programmes would not be desirable.

Clearly, a key policy initiative must be to ensure efficient fertiliser production. The fertiliser subsidy keeps increasing year after year and at the present rate could reach Rs.10,000 crores. While some changes have taken place in the subsidy formula, the present formula, based on cost plus prices, is an invitation to disaster.

The other area where there can be a radical change is clearly the public sector. The Europeans, who taught us nationalisation, are now privatising extensively. By selling off public sector units, borrowings could be reduced, some of the loss-making units must be sold off to be run efficiently. This is part of the restructuring that must accompany liberalisation. But would our government dare privatise in an election year? An interesting suggestion has been to sell shares of profitable public sector units to the public financial institutions such as LIC or UTI, who are able to mobilise savings from the public, as a first step. This will not draw any political flak. Later, a part of these could be sold to the public by the institutions. This is one way towards reducing deficit and further borrowings. It will have the added advantage of making such public sector units responsive to market forces.

There is one more possible addition to the deficit. The Opposition states, clam-



ing to be pro-farmer, want to write off small farmer debts. It is more than likely that the government, in an attempt to steal the thunder from the Opposition, may well want to do the same. Can it afford to do so? And who will benefit?

It is clear that most loans are given only to the better-off farmers. The rural poor have had little access to rural credit, 60 per cent of which is from government in any case. And what will be the cost? In Haryana alone, Devilal wanted to write off debts of Rs.200 crores. For the country as a whole, this figure would have to be multiplied at least 10 times. Moveover, the government would be sending a very wrong signal to those farmers who conscientiously repay loans. This could destabilise the entire rural credit system in the long run, even though such a step might get the party some votes this year

Employment

The one area where government expenditure has helped create assets is through the old food-for-work programmes. These worked and from time to time have been extended slowly. The government of Maharashtra, with its employment guarantee scheme, carried this one step further in an attempt to alleviate rural unemployment throughout the year. One great advantage of such schemes is that they help select the real poor, and such employment is also a good way of ensuring that basic human needs are met.

Rumour has it that last year's drought surcharge will be converted into an employment surcharge. But will such collections be specially earmarked for employment schemes, or will they be frittered away in general government expenditure?

Rajiv Gandhi has made public noises about *bekaari hatao*, but has taken few concrete steps in this direction. In spite of strong growth in the last few years, employment has not risen adequately. In fact, since 1984, employment in the organised private sector has been virtually stagnant. It has grown marginally in the public sector. But the public sector, in its present state, can hardly be the driving force in creating new employment.

Tax allowances and capital subsidies are given for investment in machinery, but no allowances are given for creating jobs. This is one among the many other reasons why the capital-output ratio is rising. Since the investment allowance has proved to be a spur to new investment, why not a job creation allowance?

Of course, there is a growing tendency amongst industrialists to increase machines and reduce labour for other reasons too. The rigidity of labour legislation makes it difficult to lay off workers, even with golden hand shakes. Of course, existing employees are earning larger amounts, but considering that the organised sector of the economy only employs about 10 per cent of the labour force, labour legislation seems to have the effect of protecting a small high wage island with relatively poor productivity.

A great deal has been written about the need to make sensible adjustments in labour legislation, which also will facilitate in restructuring existing uneconomic units in both public and private sectors. But, always, the sad conclusion is that the government, while paying lip service to many of these ideas, just does not have the political will to push them through.

Tax allowances and capital subsidies are given for investment in machinery, but no allowances are given for creating jobs. This is one among the many other reasons why the capital-output ratio is rising. Since the investment allowance has proved to be a spur to new investment, why not a job creation allowance?

Housing

Housing is one area where a massive campaign can create employment as well as attack a major socio-economic problem. Two years ago, Rajiv Gandhi announced in his budget a national housing bank. But the bank exists only on paper and the housing shortage only gets worse. Prices have gone through the roof. The total housing shortage has been increasing steadily for the last ten years and it is estimated that in 1990 we will have a shortage of about 30 million houses.

Housing does not require any new technologies. Nor does it involve imports. What is more, it is a decentralised activity that can spread all over the country. It also creates a large number of jobs and gives a boost to a number of important industries like cement, steel, and consumer durables.

Ironically, while the present government has been emphasising decontrol in industry, there have been increasing controls on land development. Permission to build (non-agricultural status) is increasingly difficult to get and available usually only at a price. The Urban Land Ceiling Act passed by the Centre makes clearances extremely difficult (and expensive).

Unfortunately, the Reserve Bank has till recently viewed housing and construction as a speculative activity. The result has been that banks were prohibited to lend for homes and discouraged from lending to builders and developers. What was forgotten is that housing is the greatest incentive to raise savings. Even in the US or the UK, one-third of domestic savings is mobilised through the form of housing finance instruments, thanks to the high propensity to save "for a home of your own".

While it is imperative to get the national housing bank to function, there are some simple steps that can also be taken immediately. Banks could be directed to treat housing as an industry and accord housing and construction priority lending status. Also, quite simply, banks, including co-operative banks, ought to be encouraged to lend liberally for 15-to-20-year terms to enable a home owner to pay off the cost of his house over the better part of his working life, as elsewhere in the world.

Foreign exchange

As mentioned earlier, the liberalisation programme of the government has clearly helped in increasing production and bringing down prices in several areas. *Business India* has consistantly supported the liberalisation moves, but argued that the steps taken have not gone far enough. However, the major criticism against liberalisation has been that these have opened the door to unnecessary imports. Precious foreign exchange has been frittered away in importing television components, automotive parts, etc. Imports of machinery and components for modernisation have not resulted in increased exports, nor is this likely to happen in the near future

Several leading politicians bureau-

crats and academics have voiced their fears about an impending foreign exchange crisis. But theirs is the traditional knee-jerk response: pull down the shutters and keep imports out. Their prescription is to get back into a closed domestic economy and manufacture everything ourselves, in spite of the high costs involved. The internal competition, they say, will be sufficient to prevent a few manufacturers from reaping undue profits, and to bring down prices.

Fortunately, the government has stuck to its chosen path. In recent public pronouncements, Rajiv Gandhi and most ministers (as well as bureaucrats) seem determined to press ahead with liberalisation. So far so good. But will this lead us into a foreign exchange crisis?

Business India has for long taken a radical stand on foreign exchange. We have argued that India has taken too blinkered a view on foreign exchange (see *Business India*, 28 July 1986). Unfortunately, foreign exchange has dominated all official thinking on the economy for the last 30 years. Without going into the historical details of the fifties and sixties, and the question of whether we had any options, the most damaging aspect of rigid import and exchange control was that it created a psychological subservience in the minds of the people. The pride in *swadeshi* was slowly but surely replaced by a sense of inferiority. 'Foreign' meant better.

Wounded psyche

This pernicious attitude permeated all sections of society and severely wounded our national psyche. We isolated ourselves from the international economic mainstream. This, in turn, severely affected the ability of Indian companies — public or private sector — to compete in world markets. At the same time, rigid exchange controls produced a flourishing black market.

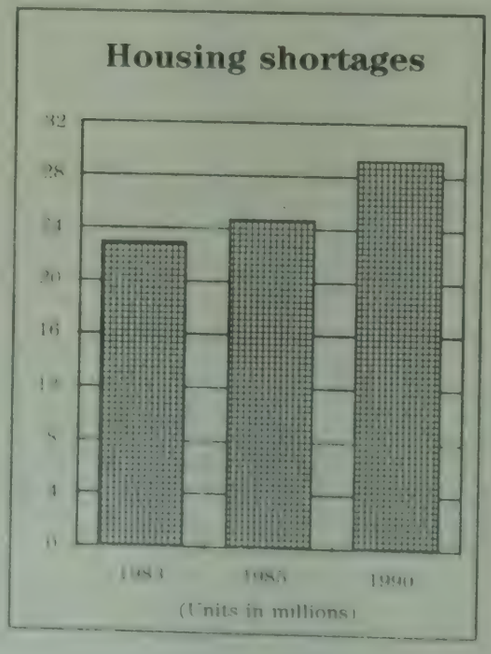
Foreign exchange is not a holy cow. Nor should it be worshipped and protected as such. It is just like any other commodity which has a price: talk to any small Indian businessman overseas or even to any smuggler in India and they will confirm this. This is why any amount of foreign exchange has always been available at black market rates and that too at a premium that has not exceeded 20 per cent more than the official price.

Business India has long argued for a simple solution: a dual market system for foreign exchange. Such a proposal is both conceptually simple and can work very easily. For example, the government could decree that out of all export earnings or NRI remittances a percentage (say 50 per cent) shall be sold to the RBI at the "official price", while the balance could be sold freely and legally at the open market rate.

The political bosses have to take clear decisions themselves; they are unlikely to get radical ideas from the bureaucracy. After all, the bureaucracy has no elections to face; it is the politicians who must gauge the mood of the public

And since the black market or *havala* rate of the US dollar is generally around 15 to 20 per cent higher than the official rate, it is logical that the open market rate under a dual exchange system would also exceed the RBI rate by a similar percentage.

In fact, Pakistan has recently taken a step towards a dual foreign exchange market. Pakistani banks overseas have begun to issue bearer notes, denominated in rupees, against payment of an equivalent amount of foreign exchange. These bearer notes are listed on the Karachi stock exchange and freely traded. A bearer of this note can encash it in foreign exchange. Reportedly, these notes are being traded on the stock market at a premium not exceeding 15 to 16 per cent.



Liberalise import licensing

A corollary of such a dual market would be to do away with the present cumbersome import licensing procedures. People would be free to import any goods they like by purchasing the exchange at the higher market rate, except those like drugs or arms, barred by explicit public legislation. The government could, of course, continue to protect domestic industries with the present system of import tariffs.

An integral part of the proposal is to also do away with the obligation of government to grant foreign exchange at the (lower) official rate for import of capital goods or raw materials. The government could decide to give foreign exchange at this rate only to industries of national importance or to those that are essential for anti-poverty programmes. For the rest, industry would have to make its own arrangements, either by exports or by buying it in the market at a higher cost.

It goes without saying that the bogey of a foreign exchange crisis would disappear since there would be no imports without corresponding exports or inward remittances.

Such a policy would be beneficial almost immediately. To start with, the black market in foreign exchange would be largely wiped out. Industry would be compelled to modernise and become competitive, knowing that otherwise imports, even with high customs duties, could eat into protected markets.

Such a system would shift the focus from protection for domestic industry to benefits for the consumer. Industrialists plead for protection for their own benefit. Neither they nor the politicians have any concern for the fact that the Indian consumer has to spend his hard-earned money to pay higher prices for goods that are usually poorer in quality.

This is really the crux of the several issues raised in this article. Indian consumers have been long forgotten by all. They continue to be squeezed from every direction. So far, unlike industrialists, consumers have not been organised. But there is evidence that middle class consumers are finally waking up to their rights. Politicians can ignore them only at their own peril.

IT'S A LONG HAUL WITH ANYONE ELSE.

British Airways new Club World has been created to ensure that you arrive relaxed and refreshed on all your long haul journeys.

Whether you're flying simply to London or onwards, with British Airways Club World you'll be ready to take on the world.

It's little wonder experienced fliers choose the world's favourite airline.

CLUB WORLD

BRITISH AIRWAYS
The world's favourite airline.

It's been raining all night. The water level has risen in Ramesh's field. If unchecked, it will destroy his whole crop! He shouts an urgent warning to Shekhar, the field officer from the irrigation project. In seconds, the message reaches Dharam, the engineer at the dam site. Instantly, Dharam barks out a terse order: "Open Gate No. 2!" The workers hasten to obey — the heavy gate lifts and the swollen river's angry spate is contained and curbed. At the dam site and all along the canal ways and junction points, other irrigation officers are closely in touch. They monitor and control the discharge of water into thirsty fields many kilometres away, where it will nourish rather than destroy crops.

Radio communication makes it possible. Bringing wireless contact to places no telephone would reach.

Every day, Meltron touches the lives of thousands of people like Ramesh, Shekhar and Dharam. Through communication technology. Technology based on electronics, that's on par with the world's best.

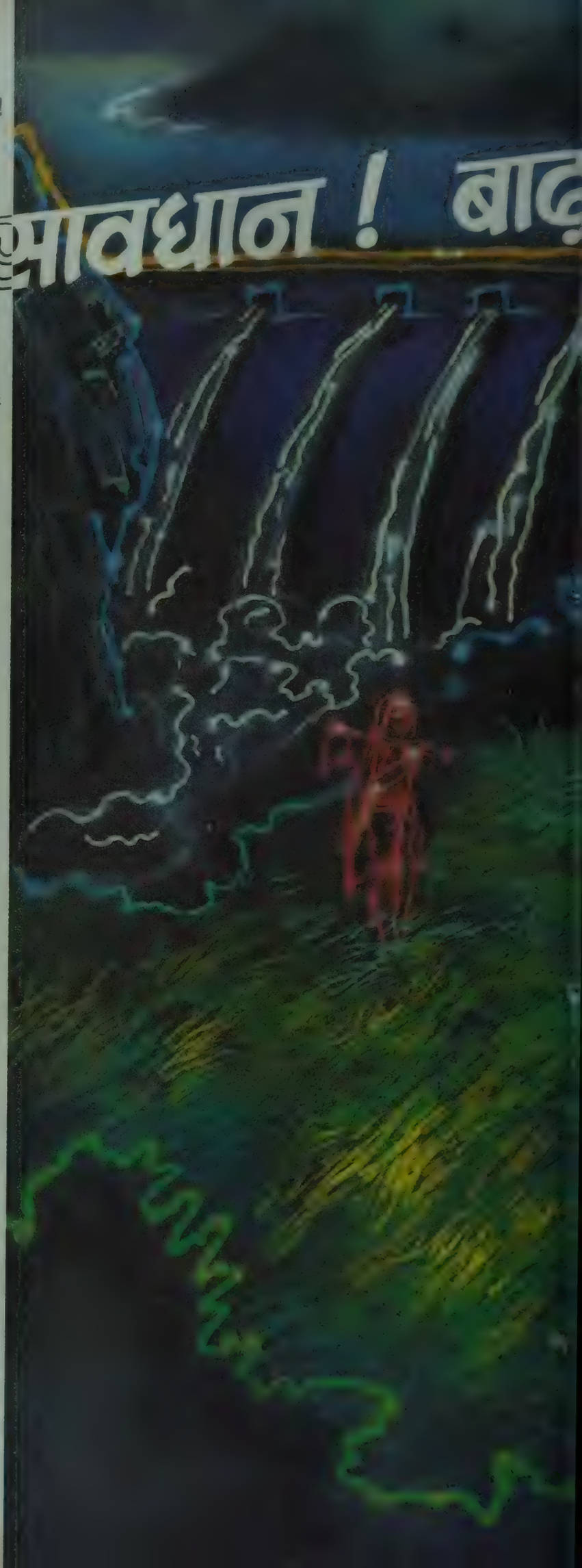
Meltron has been the torch-bearer of the electronics revolution in Maharashtra. A revolution that has snowballed and gathered momentum, with dozens of ancillary units springing up all over. Meltron has played a catalytic role in the process of change sparking off change. Because of its commitment to the development of technology in the service of the common man.

Meltron marches forward into tomorrow with the confidence of a leader. Working towards the goal of national unity through communication.

MELTRON

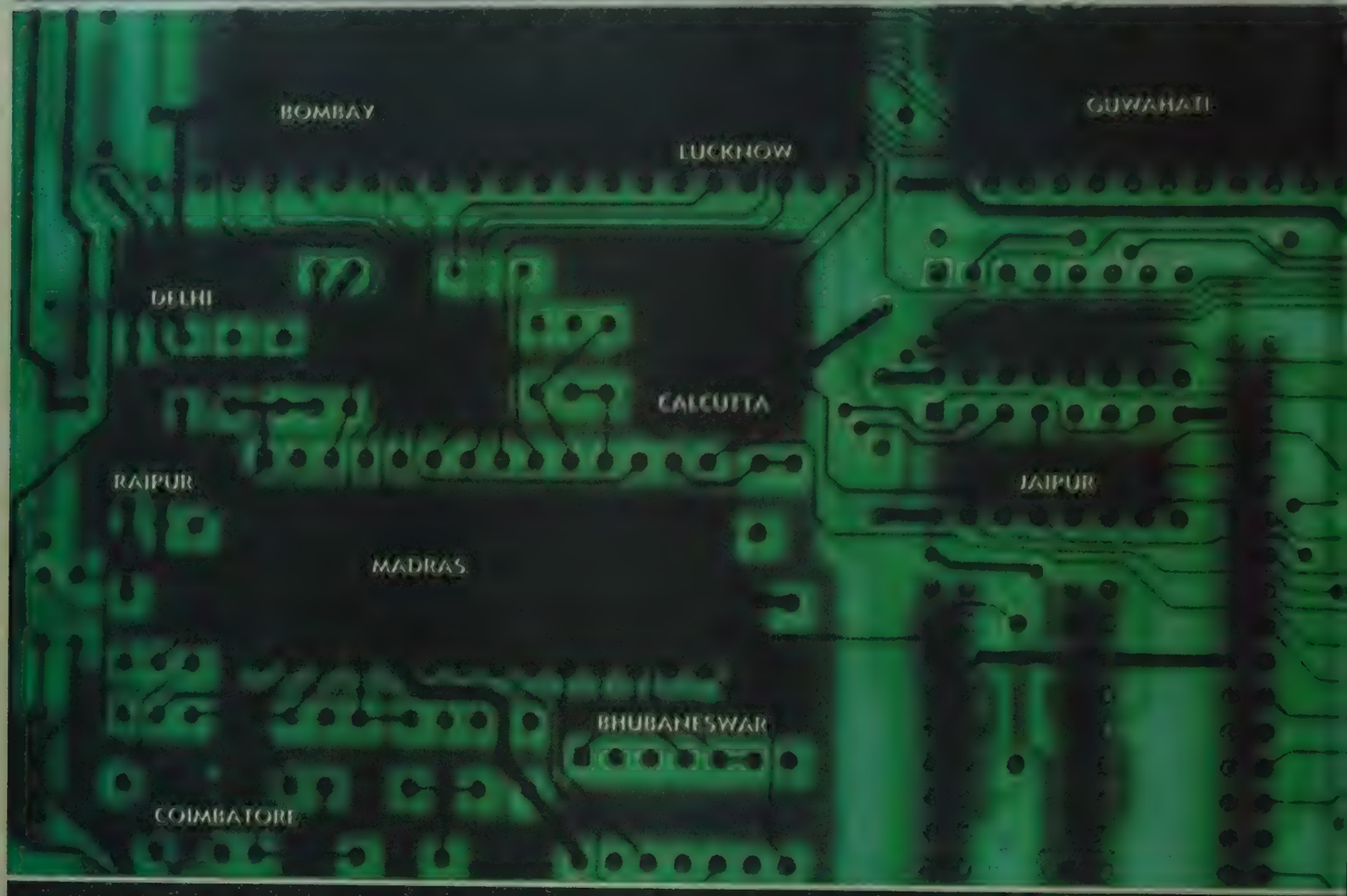
Maharashtra Electronics Corporation Limited

Bringing people closer through communication.



आ रही है !

THE PCL SERVICE



48 OFFICES

PCL is a service oriented company. And to PCL service begins with the ability to reach its customers anywhere, across the length and breadth of the country. In keeping with this service philosophy, PCL today has a vast network of offices in 48 locations manned by over 800 experts to effectively service and support each of our clients locally.

Networking, the PCL Service Plus

To start with, you can be assured of the same consistent high standards of PCL service for all your offices – even in small towns – quickly and efficiently.

Installing similar systems all over from a company like PCL, also results in considerable time and expense savings. Collective training for all your teams at a central location. Greater system compatibility and reliability. Uniform upgradations and significantly lower investments on systems design and software including conversions and modifications.

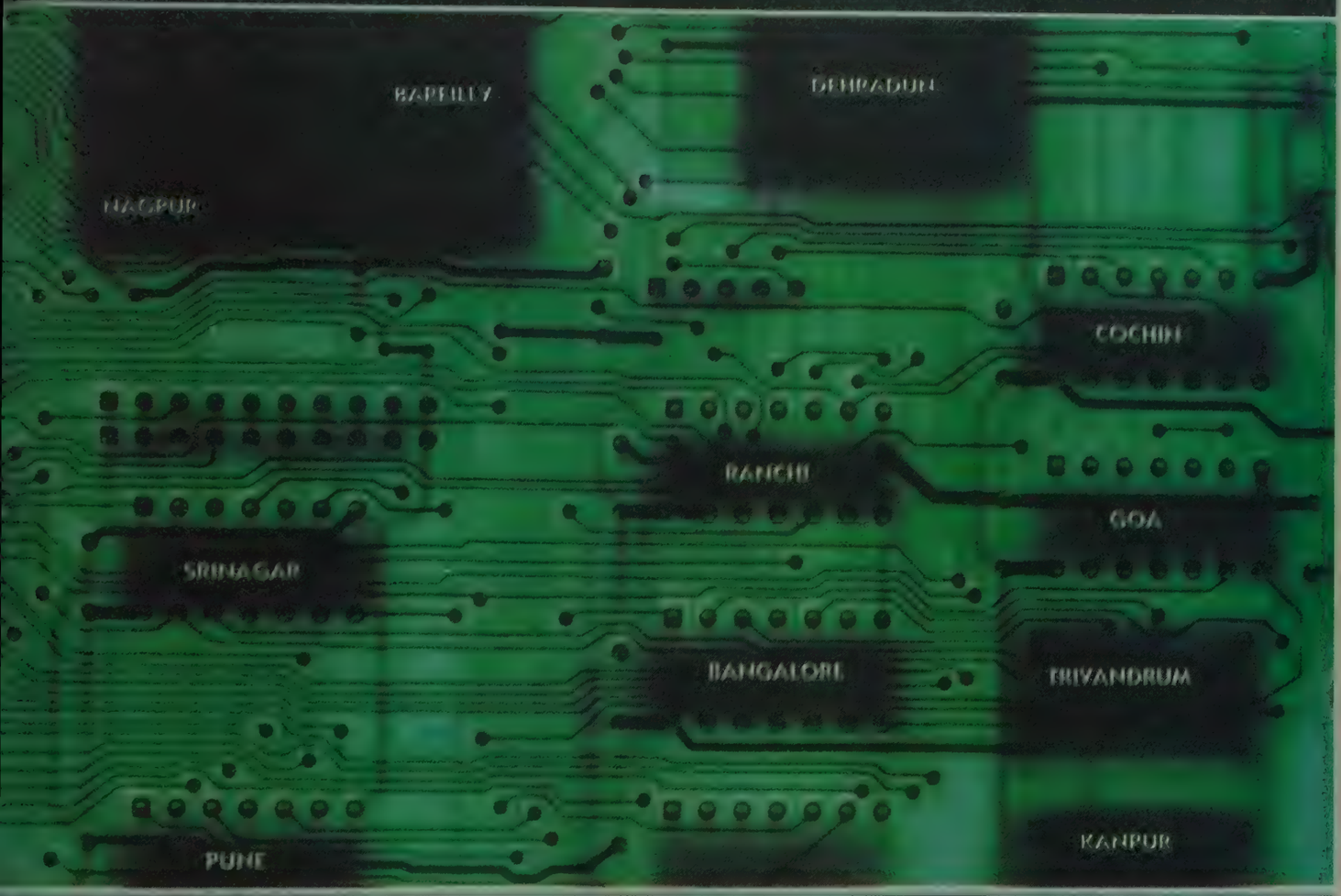
Service, right through

Now, a word about the day-to-day benefits of being serviced by PCL.

At PCL, service begins at the product design stage itself – where every step is taken to ensure that the product being developed would require least maintenance. Reliability has to be inbuilt into the product itself. Which means that everything – every component, sub-assembly and finished product – is checked and rechecked to the point of perfection.

Site planning programmes by PCL's Customer Engineering group ensure the ideal environment for your computer. From designing the floor work area to consultancy on dust, humidity and temperature control.

CONFIGURATION



NATIONWIDE

And after systematic checks during installation, PCL's preventive maintenance team swings into action with regular checks and servicings including timely replacement of components to prevent major breakdowns.

On corrective maintenance, a PCL Customer Engineer is expected to respond within an hour and a half,while outstation calls are met within 24 hours. Replacement of defective parts is done immediately,with minimum downtime.

Each of PCL's Service engineers is inducted into specialised service groups. Followed by intensive training to equip each with specialised service capabilities. Each one is trained to listen to the customer's needs. To encourage communication. And finally,each one is kept fine-tuned to the very latest developments in the computer world.

To provide the highest standards of service for you. Always. PCL's service and support today have established an unbelievably impressive track record. 6000 installations in just over a year. A record uptime of 99.8%. And a repeat order track of almost 70%. That's the kind of performance few can hope to match, let alone beat.

PCL

India's fastest growing computer company.

Corporate Office:E-46/10, Okhla Phase-II, New Delhi-110 020. Tel:6837379, 6841860, 6841864, 6846472. Tlx:031-75163 PCL IN.

If we're capable of big things in material

Consistency.

The ability to keep manufacturing high-performance, rugged products. Giant bucket wheel excavators, reclaimers, stackers, spreaders, conveyor systems, transport crawlers, mobile transfer conveyors, paddle feeders, mobile crushers and crushing plants. With our turnkey projects too, (and Neyveli is an example) our consistency is so valued by our existing clients, that virtually all their repeat orders come to us. Consistency in quality and performance and the backing of Krupp, West Germany. A few small reasons for our reputed capabilities.

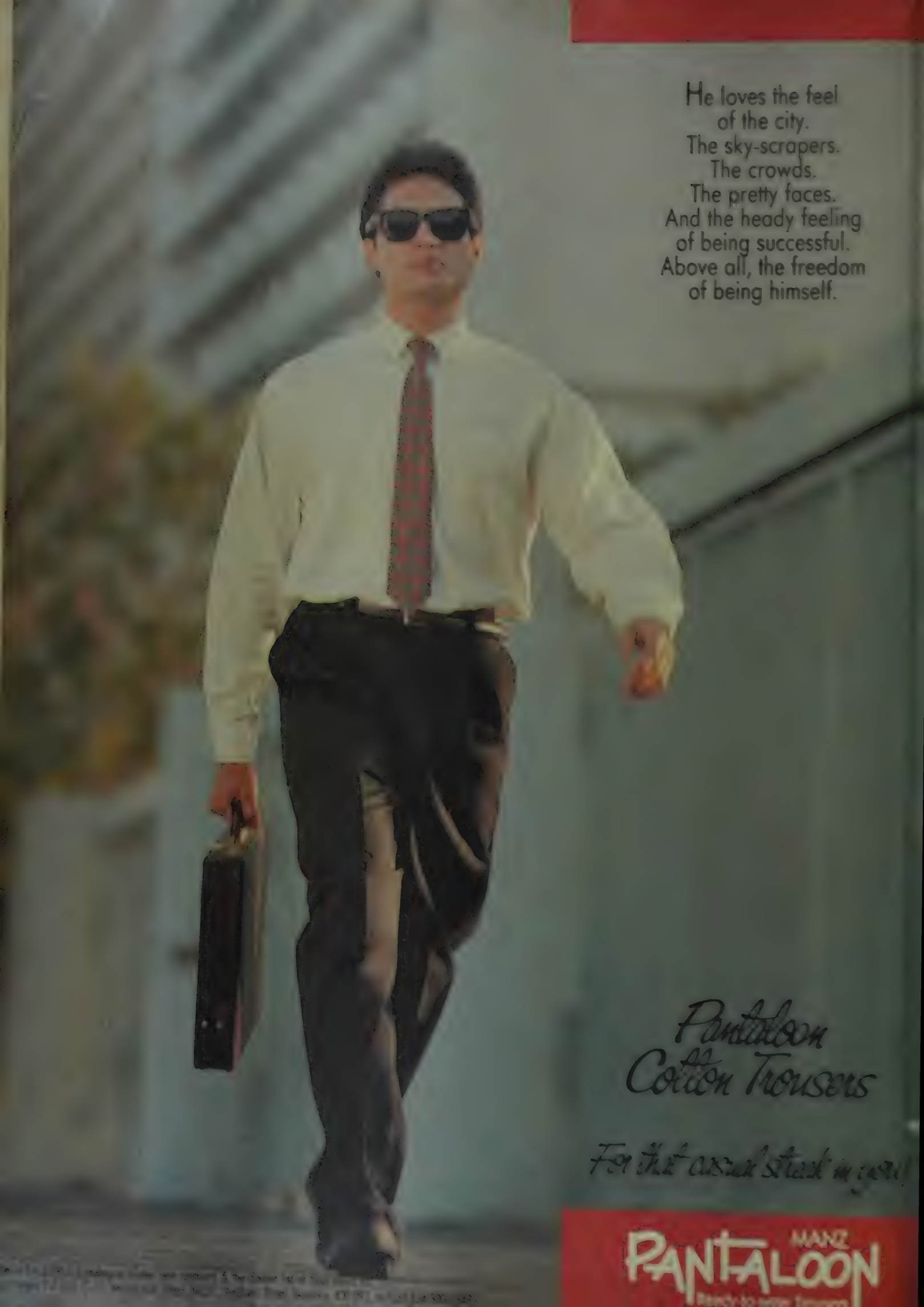
...andling, it's because of one small reason

BUCKAU WOLF
More than engineers. People with a sense of values.

KRUPP
Buckau Wolf with Krupp technology

Buckau Wolf India Ltd., Pimpri, Pune 411 018. Tel: 84461. Telex: 146-267.

Nexus/BW/57


He loves the feel
of the city.
The sky-scrapers.
The crowds.
The pretty faces.
And the heady feeling
of being successful.
Above all, the freedom
of being himself.
Pantaloon
Cotton Trousers
For the casual look in you
MANZ
PANTALOON

French bid for an Indian connection

Four years ago, India told the French in a year-long festival in their country that it had much more to show than just snake charmers and rope tricks. Now, France is doing likewise with its own extravaganza — in the year ahead, Indians will be told that there is more to France than just wine, cheese and perfumes.

"There are no tribes in France, and that is why we are starting our festival in India with a display of our achievements in science and technology," said President Francois Mitterrand, as he flagged off the Festival of France in India at Bombay's Chowpatty beach on 3 February with a spectacular laser and fireworks show.

In their current effort the French certainly mean business. They commandeered the 300-odd rooms at the city's Taj Mahal hotel, and had amazing thrills in their armoury of fantasia. A flotilla of three French ships were at anchor off Marine Drive. The whole stretch had been converted into an open-air auditorium, with speakers hanging from lamp posts. The choicest of French jazz accompanied state-of-the-art laser graphics on large screens placed at intervals on the sidewalk. One face of the 22-storey Air-India building made up a giant screen for more visual treats.

For culture freaks, the Lyons Opera Ballet, the French Jazz Yatra and the French Theatre series of plays were just starters — on the way are puppet shows, costume exhibitions, rock shows, screenings of select French films and Yves Saint-Laurent fashion shows.

President Mitterrand flags off the festival

Business will follow

But the underlying intent is clear: bowl the Indians over with French technology, packaged with all the frills. And business will follow. In a series of 20-odd exhibitions and technical seminars, the French business community is pulling out all the stops to display its technological might. Almost all those who matter in French industry figure among the 200-odd companies participating in the various expositions on oil and gas, petrochemicals, nuclear power, rail and urban transport, and telecommunications. The biggest contingent is from the telecom industry (to take on, perhaps, Sam Pitroda and his visions for C-DoT), followed by the nuclear, oil, gas and petrochemical industries.

France today is not exactly a leading star among India's trading partners. It accounts for barely 3.5 per cent of India's exports and 5.5 per cent of imports. In bilateral trade, while there has been a constant improvement in overall volumes over the years, India's deficit has increased from Rs.290 crores in 1985 to Rs. 866 crores in 1986. A decline in project imports from France and the hardening of the French franc, among other factors, contributed to bringing down this adverse balance to about Rs. 630 crores.

Nuclear symposium: groundwork for future projects

Recent efforts such as the visit of a French buyers' mission in last February and an export delegation led by the Indo-French Chamber of Commerce to France three months later, have also helped to decrease the deficit in India's favour.

Tougher to play in

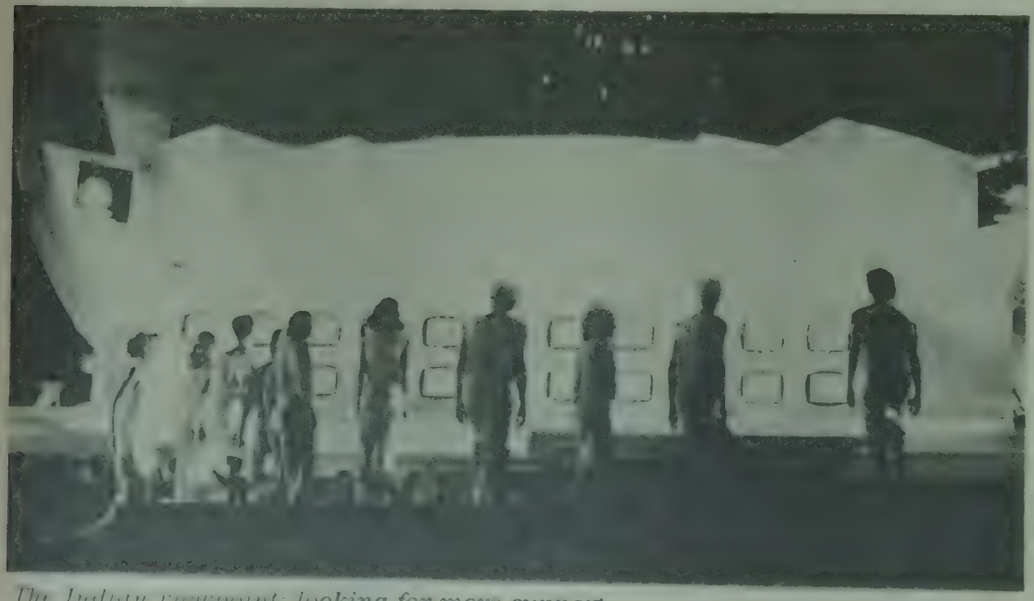
Meanwhile, the French have realised that with the increasing pressure of Far Eastern and other European countries in the high-potential industries of oil, gas, petrochemicals, telecommunications and power, the international business arena is getting tougher to play in. For example, it is a well known fact that currently the French oil and gas equipment and services industries are substantially underemployed consequent to activity in the big ticket North Sea and Gulf of Mexico oil fields having slowed down in recent years.

The focus, therefore, on newly industrialising countries such as India, is a logical next step. The massive investments planned in the Indian oil, gas, petrochemicals and telecom industries indicate that the French are working hard at their drawing boards. They are also making it known to policy makers in India that in the world order, France is second in nuclear power generation, third in aerospace, fourth in pharmaceuticals and a major force in the oil and gas industry.

The encounter with French technology: an amazing armoury

Evidently, the French minister for external trade, Jean-Marie Rausch, was not wasting his time when he hit town four days before Mitterrand — he went on an arrangement signing spree. The 13-odd areas identified for co-operation include digital networking, satellite communications and telecommunications. Among the highlights: agreements signed for co-operation in life sciences and biotechnology, and the setting up of a Rs. 95-crore joint venture project for the research and production of major viral vaccines. This project will have the department of biotechnology, the Indian Petrochemicals Corporation Ltd, and the Institute Merieux of France pooling their resources; public participation in equity will be invited too.

Automobile manufacturer Mahindra & Mahindra also forged a French connection by tying up with Peugot for a project to manufacture pick-up vans in India, with the latter's knowhow. And the French Trade Commissioner in India, Benoit Battistelli, revealed only a tip of the business iceberg when he indicated that negotiations for Indian collaborations with French chemical engineering companies are at an advanced stage. France has also offered two 900 MW pressurised nuclear water reactors, which together could be worth US $3 billion, and are claimed to be comparable to the Soviet offer that the Indian government is considering.



The Indian viewpoint: looking for more support

Meanwhile, big guns of Indian industry such as H.P. Nanda of Escorts, Raunaq Singh of Apollo Tyres and S.L. Kirloskar of the Kirloskar group, want increased French support for more access to the markets of the European Economic Community, and the launching of bilateral trade promotion programmes in specific product groups. In Kirloskar's view, France should set up joint ventures in India and source their requirements not only for their domestic markets, but also for international markets where French products may not be competitive because of high wage costs.

Will to export

Roger Chavlon Demersay, chairman of the Franco-Indian Cooperation Committee, however, points out that Indian business should be more alive to opportunities than it is now. "Our initiative should create the necessary favourable environment, but our Indian partners must have a real will to export," he says. "The chief difficulties encountered by French enterprises in India are the taxation and administrative frameworks."

President Mitterrand sees every reason to build a bridge to Indian business. "India is becoming more advanced in many fields... the progress is perfectly obvious. India is a country at work," he says. And France wants a piece of this action.

■ SHIV TANEJA with KAREN THOMAS

Get a TATAFONE The better phone.

There are two types of push-button telephones: the ordinary push-button telephone and the Tatafone.

Tatafone. Backed by the reliability of Tata. The expertise of Keltron. And the technology of Siemens, Germany. A product of stringent quality control.

Not surprising then, that orders for Tatafone have already been placed by MTNL, DOT, MRF, SBI, Asian Paints, HTA, Tata Telecom, Nelco, CDOT, TISCO, Modi Xerox, SIA, Mitsubishi, Johnson & Johnson, Bank of India...

You'll agree that's no ordinary recommendation.

Available in two versions – Decadic and DTMF. With a choice of models: Plan 103, Wall Phone, Feature Phone – in six attractive colours.

Approved for use in DOT Network.

Please send me a detailed brochure on Tatafone.

Name .....

Address .....

.....

.....

Keltron Telephone Instruments Ltd.
(A TATA-KELTRON JOINT VENTURE)
Chandranagar, Palghat 678 007
Tel: 25015, 26389 Telex: 852-227 KTIL IN Cable: Tatafone

ULKA-11479 A

CENTURY

A fine finish

The well-diversified giant is having a particularly good year, with all its divisions making excellent profits. It is now busy planning major expansions in the nineties, which might call for a change in corporate character

Birla: old fashioned but successful

In his fourth floor office at Bombay's Industry House sits the tall, lean, 68-year-old Basant Kumar Birla, patriarch of the most dynamic faction of the house of Birla. Gazing at him benignly from an ornately framed photograph is his father, the revered Ghanshyam Das Birla. Basant Kumar, who was his father's favourite son, is in the great Birla tradition, totally businesslike. His demeanour bears none of the flamboyance and pompousness associated with the successful industrialist. He exudes the confidence of someone who's come to terms with both success and failure. Neither, it seems, would faze him.

Interestingly, B.K. Birla, has not attended a single AGM of his largest and most successful company, Century Textiles and Industries, since he took over as its chairman in 1973. He leaves that exercise to his nephew, Sudarshan. And in all probability, he won't attend Century's AGM this year as well, a year in which the company has performed exceptionally well — an occasion anyone else in B.K. Birla's shoes would hate to miss.

Last year, for the first time since the Birlas, with remarkable prescience, took the 90-year-old company from its traditional areas of textiles and rayon into unrelated fields like cement, paper and shipping, all the divisions of the conglomerate turned out healthy profits. At Rs.521.26 crores, Century's turnover was nearly Rs.100 crores more than in 1987. And at Rs.64.39 crores, gross profits are up nearly 57 per cent. But all that the equable Birla would say about this excellent performance is: "Under the given circumstances we have done rather well, but there is scope for improvement. Some of the divisions are still not doing as well as we would want them to."

Birla is thus a bit of an anachronism in this age of larger-than-life industrialists and takeover artistes. His ways are still very old fashioned, and very Indian. He is still called Babuji. Equally old fashioned is the fierce loyalty that he evokes in his executives. Most of his senior management personnel have devoted entire lifetimes to building Century.

Ramnath Poddar, senior president of the textiles division, is 75 and has worked with the Birlas for 52 years. His deputy, P.D. Lakhotia, 60, has been with the group for 42 years; S.P. Mandelia, senior president of the rayon division, 59, has been serving the Birlas for 42 years; and P.M. Jhaveri, executive president, 61, has been with the company for 36 years. And in what could well be a throwback to the sethji-munimji days, Birla still maintains a man Friday, to whom all his staff at Century report. G.D. Malpani, who enjoys this covetous position, is not even on the rolls of Century.

Textile unit: dramatic performance

Lone exception

An even better indicator of Birla's conservatism is the way he has managed the company's finances. All through the seventies, Century was the blue chip Indian company quoted on the stock exchanges. It was perfectly poised to take full advantage of the capital market explosion of the eighties. But the company virtually turned its back on the phenomenon and was probably the only one of India's top industrial giants that did not go to the public with a convertible bond issue. Its major diversifications and expansions in the eighties — cement, shipping, paper and pulp — were all financed from internal accruals and loans. While the company's paid-up capital in the last five years went up from Rs.15.96 crores to Rs.26.6 crores, on account of a bonus issue, its gross block swelled from Rs.189 crores to well over Rs.500 crores.

The important thing, as the Bombay-based investment consultant, Ram K. Piparaiya points out, is that the company has succeeded beyond most people's expectations. In spite of his conservative ways, B.K. Birla risked taking Century into areas like shipping and paper, and he made a success out of them. Sales, profits and reserves have both more than

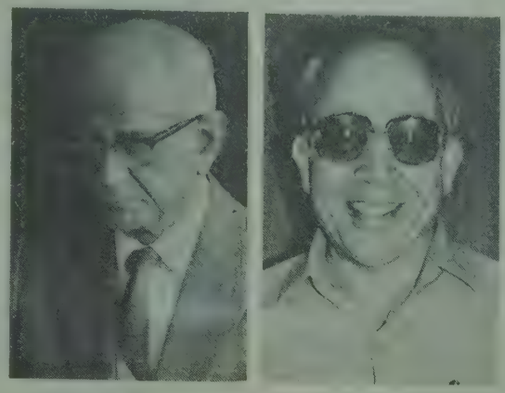
doubled in the last five years, while the debt equity ratio stands at an enviable 0.95:1.

Century's most dramatic performance no doubt has been in the sphere of cotton textiles, which along with the cement division provided the cushion for the other diversifications in the eighties. In the so-called sunset industry, Century's textiles division (among the largest in Asia) should have been the first to go down the tube in the recession of the eighties. But, while all around the country textile giants collapsed, Century stood tall and strong. The division has contributed more than Rs.100 crores of the company's turnover last year and substantially to its profits.

Legendary skills

The story of how Century managed to do this is legend in textile circles. And much of it revolves around one man — veteran Ramnath Poddar, who's spent as many as 51 years in the industry. Says Sushil Sain, a former managing director of NTC and now a reputed textile consultant, "Today whatever Century Textiles is, is because of him. From actually buying cotton from the farmers to selling of the finished product, Poddar's skills are legendary."

Poddar's greatest achievement has been the remarkable foresight with which he anticipated the coming recession in the industry and the acumen with which he turned Century into the country's largest textile exporter. This, in fact, is responsible for the company's resilience today. Century began exporting fabrics way back in the early seventies. Eighty per cent of the company's turnover now comes from exports.



Poddar and B.L. Jain: men behind the successful textile and cement units

Says Sain, "Century succeeded in exports because of Poddar's obsession with quality. Other exporters failed because they considered a large order a one-time deal." Adds Lakhotia, president of the textiles division, "The world over, our product is referred to as Century cotton, while the rest of the country's products are clubbed under the common label Indian cotton."

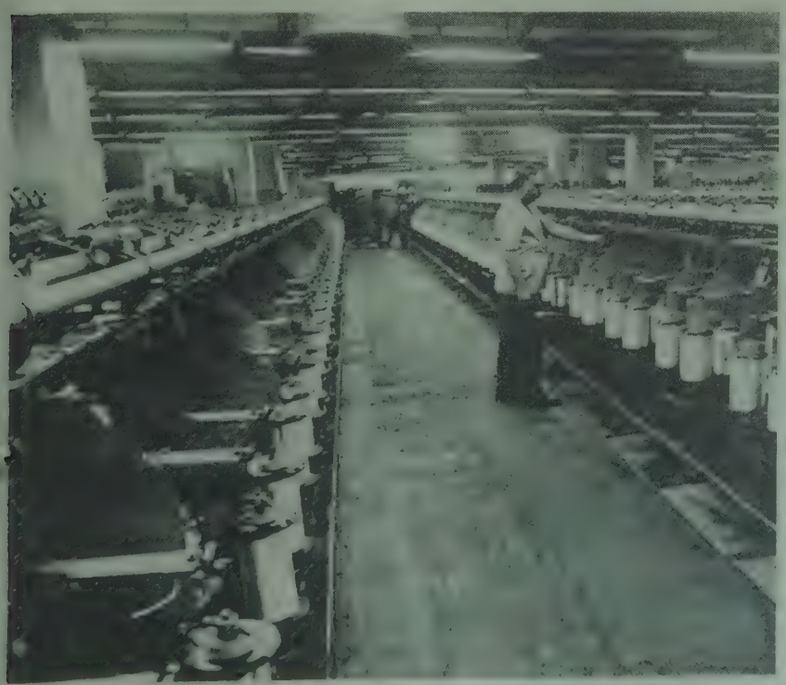
For Poddar, quality control starts at the cotton buying stage itself. The better varieties of cotton grown in the country are identified and Century buys only a few, the best ones.

Rapid modernisation

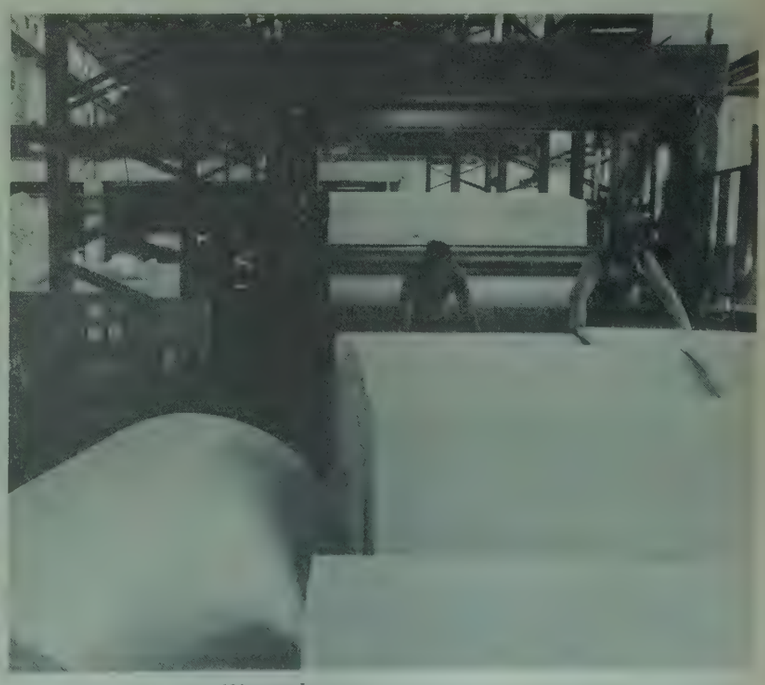
Further, Poddar has helped to set up modern ginning units that are dedicated to Century and where quality is constantly monitored. At the mill itself, quality has been ensured by rapid modernisation. Says Birla, "Our faith in the benefits of modernisation is complete. In the last five years alone we have invested Rs.38 crores in putting up new machinery at the mill. This year we will invest Rs.11 crores." As a result, Century is the only fully-automated cotton textile mill in the country. Last year alone, 84 new air jet looms, among the most advanced in the world, were installed, bringing the total number of such looms to 98.

Poddar plans to increase the export figure from the current Rs.80 crores to Rs.90 crores by 1990. But this hinges on the government allowing him to increase the number of spindles from 137,000 to 147,000. Says Poddar, "Our application for this small increase of 10,000 spindles has been pending with the government since 1987. They don't seem to want to help someone who is genuinely interested in exports."

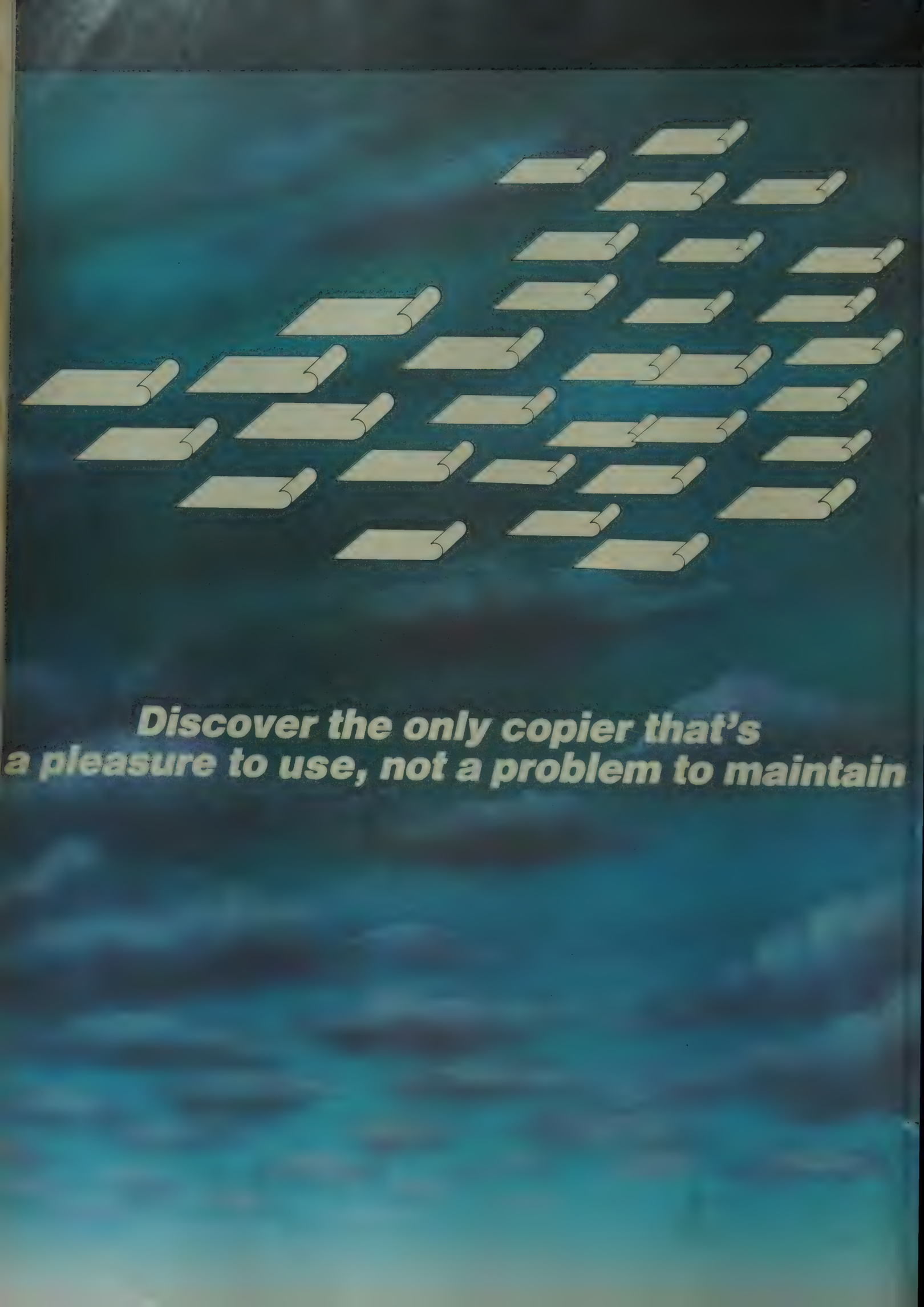
In complete contrast, Century's rayon division has suffered from the lack of a visionary like Poddar. The rayon division was Century's first diversification, which was carried out in the fifties. But this plant at Kalyan, near Bombay, which can produce 12,000 tpa of rayon yarn along with 7,200 tpa of rayon tyre cord, was a millstone around the company's neck for much of the eighties. In 1982, labour problems kept it shut for six months. Since then, rapid modernisation did improve the plant's efficiency, but by then the market itself had virtually evaporated. Says S.P. Mandelia, senior presi-



Rayon unit: moneyspinner now, but future's bleak



Paper unit: just rolling along


Discover the only copier that's
a pleasure to use, not a problem to maintain

The copier is a modern day convenience. However, you'll never fully realise how convenient a copier can be until you own a Modi Xerox!

For Modi Xerox not only saves you valuable time and money, but also frees you from the bothers and delays of maintenance.

For example, you're offered the option of a unique 'Full Service Maintenance Agreement' at most locations in the country.

An agreement that entitles you to free spares, free service and free consumables (except paper). All you pay is a nominal charge per copy which remains fixed whether you make one copy, a hundred or more per original.

And, to ensure regular availability, Modi Xerox copiers and consumables are manufactured to international Xerox standards at our highly sophisticated plant in Rampur, U.P.

Above all, you have the assurance of the strongest service support in the copier industry – a team of highly trained people spread across 65 locations in the country, dedicated to copier service alone.

In fact, at Modi Xerox customer service begins well before the purchase. Team Xerox, a unique group of experts, study your office requirements and then recommend a copier system that best suits your needs and your budget.

All this is a result of a technical and financial collaboration with Rank Xerox, U.K. A collaboration that speaks volumes of the faith vested in Modi Xerox and its capabilities.

So if the thought of maintenance and service is worrying you, invest in a Modi Xerox.

Fill in the coupon and post it today to :
Modi Xerox Limited
Marketing Division
33 Community Centre
New Friends Colony
New Delhi 110 065

Yes, I want to know how Team Xerox can improve the efficiency of my office

Name : _____

Designation : _____

Company : _____

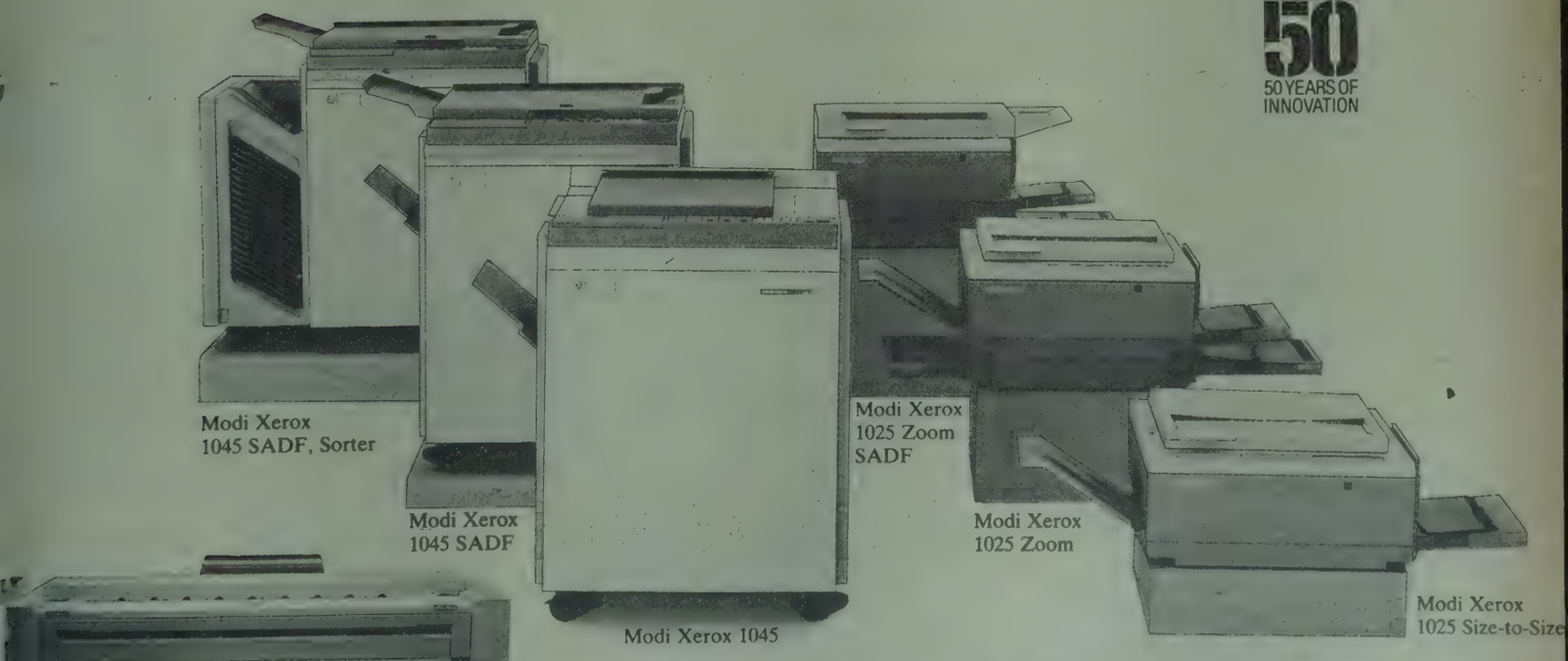
Address : _____

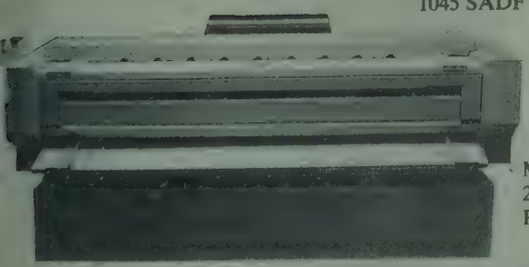
_____

Tel : _____

Call Team Xerox today!

XEROX 50 50 YEARS OF INNOVATION


Modi Xerox 1045 SADF, Sorter
Modi Xerox 1045 SADF
Modi Xerox 1045
Modi Xerox 1025 Zoom SADF
Modi Xerox 1025 Zoom
Modi Xerox 1025 Size-to-Size



Modi Xerox 2510 Engineering Plan Printer

Modi Xerox

Setting the standards for others to copy!

Xerox is a registered trademark of Rank Xerox Limited, U.K., and Xerox Corporation, U.S.A.

The fabled land of the Peaceful Dragon– now just two hours from Delhi!

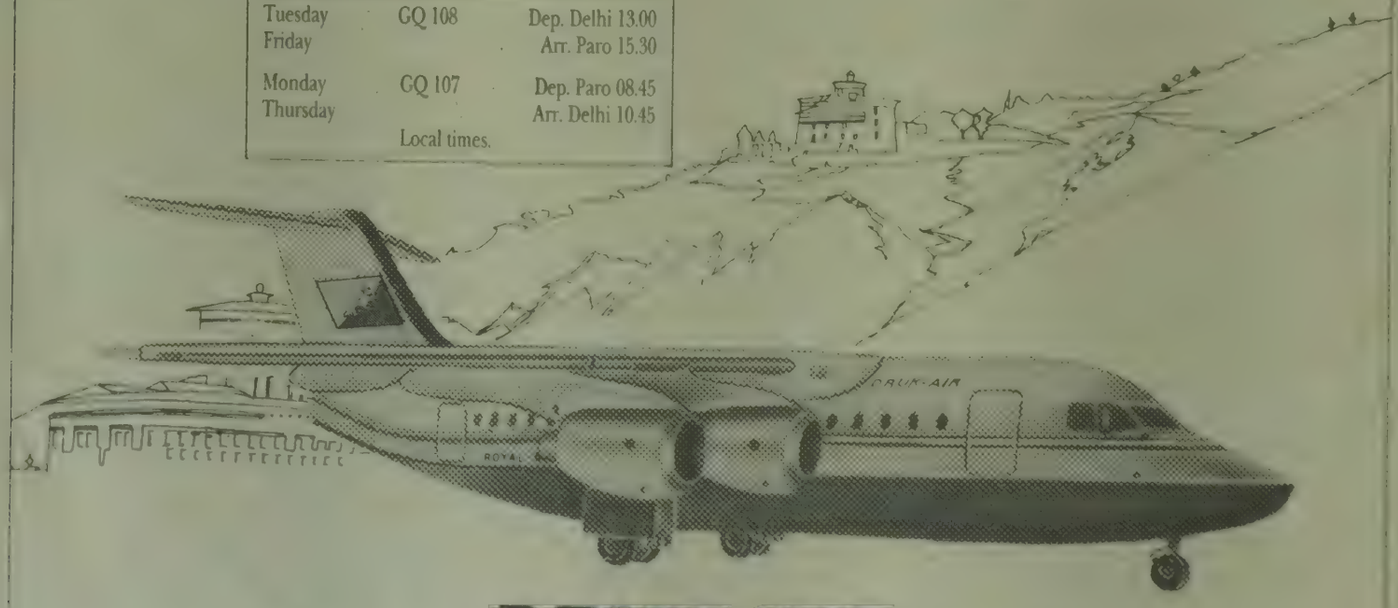
BHUTAN.

The land of the Peaceful Dragon. The tiny, picturesque mountain kingdom — a tourist's dream come true. Where Buddhism is more than a religion; it's a way of life. Where the people always wear a smile... and the mountains are everywhere.

Now, with the introduction of two flights a week direct from Delhi to Paro by Druk-Air, Bhutan is just two hours away. On the Royal Bhutan Airline's new 80-seater BAe 146 jet, with a cabin crew trained by Thai Airways, you are assured of a pleasant flight — and an escape to Shangri-La!

So whether it's for business or pleasure that you're travelling to Bhutan, Druk-Air's direct Delhi-Paro flight is the fastest and most pleasant way to get there.

Tuesday Friday	GQ 108	Dep. Delhi 13.00 Arr. Paro 15.30
Monday Thursday	GQ 107	Dep. Paro 08.45 Arr. Delhi 10.45
	Local times.	



DRUK-AIR

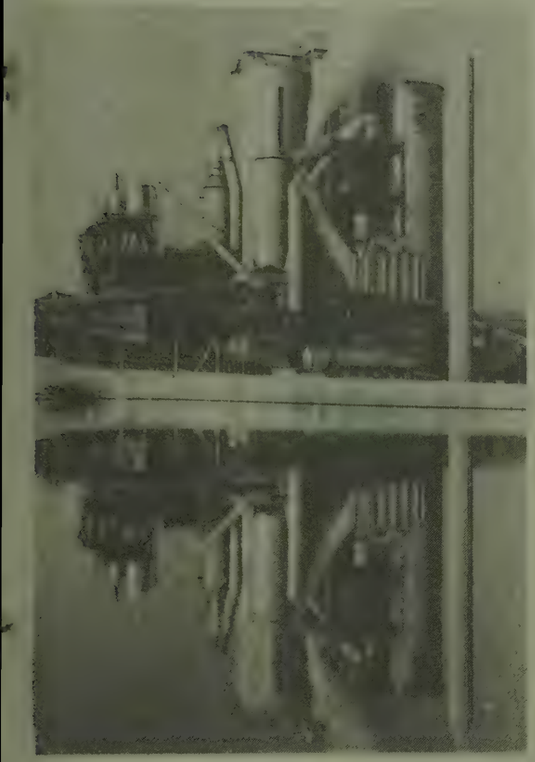
(A ROYAL GOVERNMENT OF BHUTAN UNDERTAKING)

For flight reservations, please contact

Malbros Travels Pvt. Ltd.
D-950 New Friends Colony
New Delhi 110065
Phone: 6843771

Druk-Air
51 Tivoli Court
1A Ballygunge Circular Road
Calcutta 700019
Phones: 444903, 447718

Druk-Air
c/o Royal Bhutanese Embassy
Dhan Mandi Road
Dhaka, Bangladesh



Cement units at Maihar and Manikgarh: expanding for an even better future

dent of the division, "There is a limit to what we can do when rayon is going out of fashion and more and more people are preferring nylon and polyester yarn."

"Only a matter of time"

Even Birla admits, "Two years ago we were doing so badly that we thought the unit was going to die." But this year the division has bounced back and has achieved record profits. When the rayon unit was under lockout for 70 days in the first half of 1988, Century's total profit was Rs.23.82 crores. But in the six months that followed, when the unit had an uninterrupted run, the profit climbed to Rs.40 crores. Says N.M. Jain, president of the division, "We could see that the rayon prices would definitely become lucrative the way units were closing down all over. So it was only a matter of time and we at Century had the capacity to weather the storm, thanks to our diversified operations."

Despite the rayon unit's excellent performance last year, nobody is vouching for its continued prosperity. Its tyre cord capacity is highly underutilised, facing, as it is, unassailable competition from nylon tyre cord units. So the future of the division does not look too bright at the moment. It cannot go into polyester or nylon because of contractual obligations. One of B.K. Birla's other companies, Century Enka, polyester and nylon manufacturer, has a collaboration with Enka of Holland which prevents other group companies from making the same products.

The company is taking some corrective action to prepare for a future where it would be less dependent on the local rayon market. Exports last year of rayon and tyre yarn totalled Rs.9.8 crores. And more importantly, the company has moved in a big way into the manufacture and erection of sophisticated tyre cord plants. Though a licence to sell them locally is still awaited, it exported Rs.12 crores worth of machinery to Cuba last year.

Finally stabilised

Among the units that are doing exceedingly well are the ones making cement. Birla should be a happy man, now that his giant 1 million tonne Manikgarh plant in Maharashtra has finally stabilised. The plant had been plagued by labour and other problems since it started production in 1986. Manikgarh, along with the older Maihar and Raipur plants in Madhya Pradesh, each with a capacity of 800,000 tonnes, make Century the second largest cement company in the country, after ACC.

But now, says Narottam Sekhsaria, managing director of the highly successful Gujarat Ambuja Cements, "Century's two units in Madhya Pradesh are doing extremely well and from the information we have, even the unit in Maharashtra should be cash surplus in another six months time. I don't think from now on any of Century's cement plants will be a drag on profits."

The two plants in Madhya Pradesh, which went into production in the early seventies were money spinners right from the word go, even when cement was a controlled commodity. Using state-of-the-art technology and a minimum workforce, the Birlas, with the division president B.L. Jain, turned the units into a model operation. Though plagued by problems of erratic power and poor quality coal, the two plants produce 1.5 million tpa of cement with just 1,600 employees. ACC produced 75 million tonnes of cement with 27,000 employees. Says Jain, "We feel proud about the performance of these plants, but we have to be on our toes now since this is a reputation that has to be lived up to."

Jain's immediate ambition is to make the new 800,000 plant that Century is putting up, to double the Maihar unit's capacity, "not only the best in India, but also in the world". The company will spend close to Rs.150 crores on the project, apart from which it will also increase the capacity of the Raipur plant to 1 million tonnes. So, by 1995, Century should be producing close to 3.5 million tonnes of cement a year. "Right now, due to overproduction, the profitability of the cement industry has touched rock bottom," says Sekhsaria, "but capacity additions have tapered off and by the early

nineties, the growing demand from housing and other sectors will balance supply and demand." So Century can look forward to even better days with their giant cement plants in the nineties.

Persisting problems

Unlike cement, success with two of Century's major diversifications in the eighties — shipping and paper — did not come too easily. And problems still persist with the paper and pulp plant situated in UP's Kumaon hills.

Costing Rs.70 crores, it was set up to produce 20,000 tpa each of white printing paper, rayon grade pulp and newsprint. Production could start only in September 1984. The plant had to be closed down less than a year later after the government abruptly abolished import duty on rayon grade pulp and brought it under OGL (open general licence). It was no longer profitable to make the pulp in India.

After persistent lobbying by the Birlas, imports were restricted once again a year later and the plant restarted production in December 1986. Though the unit has done reasonably well both in 1987 and 1988, problems like non-availability of timber and power shortages still persist. "The UP government went back on its commitment to supply us timber," says Birla. "And that is the primary reason behind the crisis." To top it all, both in November and December last year, production was disturbed by labour trouble.

Century's shipping division seems to have finally come out of the red and the Birlas can now cock a snook at all those who ridiculed the company in the early eighties for rushing in where angels fear to tread. In fact, the company is now some kind of a mini-shipping giant with a fleet of nine vessels with an aggregate capacity of 153,829 dwt (deadweight tonnes). Three more bulk carriers are to be acquired this year.

"Good times"

"Century has been a shrewd player in the market," says N.C. Singhal, managing director of Shipping Credit and Investment Corporation of India (SCICI). "They took the prudent decision to expand their fleet when the prices were low and now that freight charter rates have picked up worldwide, after many years of slump, they are in a good bargaining position." Century bought most of the ships second hand and hence quite cheap. They were all built in the early eighties but sold by

N.M. Jain and Mandelia: getting ready for further diversifications

their owners because of the slump. Says Mandelia, who is also the senior president of the shipping division, "We were biding our time. Shipping is a cyclical industry and if one takes care of the division in the bad days it does pay off really well in the good times. This is what we have done."

Century now has a well-diversified fleet of vegetable oil, timber, chemicals and grain carriers. It has shrewdly kept away from buying container ships because they need very extensive marketing and margins are very low. And looking at the improving freight conditions, the company has now applied to the government to allow it to increase capacity to 500,000 dwt. Says Birla, "We hope to take full advantage of the falling value of the Indian rupee."

Ambitious diversifications

Having nursed all the existing divisions to good health the company now embarks on its most ambitious diversifications to date. It is awaiting government approvals for three large projects — a 300,000 tpa sponge iron plant in Madhya Pradesh (cost: Rs.200 crores); a 500-MW thermal power plant in Rajasthan (cost: Rs.600 crores); and a Rs.350-crore petrochemicals project to manufacture synthetic elastomers, MTBE (methyl tertiary butyl ether) and propylene at Alibag, near Bombay.

"All the three projects will make products that are in great demand," says Birla. "Rajasthan is a power starved state, sponge iron is in short supply in the country and the petrochemical project will help save Rs.100 crores in imports every year. We are confident of being able to put up the projects within two to three years of getting approvals."

But this massive Rs.1,150 crore diversification will compel Century to change its conservative project financing methods. "There is no way they will be able to finance these projects, as they were doing till now, through internal accruals," says Piparaiya. "They will have to approach the public through the stock markets." Birla agrees: "We will have to issue debentures and there is no way that we'd be able to hold on to our 51 per cent equity share in Century." And that definitely would add an entirely new dimension to Century's corporate character; how the management will face up to it remains to be seen.

What remains to be seen also is how the Birlas will settle the seeming problem within the family over the ownership of the controlling interest in the company. Patriarch G.D. Birla left the issue rather ambiguous when he died in 1983. And time and again rumours have surfaced about a discord between the B.K. Birla faction of the family and that of Sudarshan Birla. The latter, who is the son of B.K. Birla's eldest brother, controls companies like Jiyajeerao Cotton, Mysore Cement and Chloride India. B.K. Birla controls Kesoram Industries, Century Enka and Jayshree Tea.

Divesting investments

Century till recently had considerable equity holding in other B.K. Birla group companies like Kesoram Industries and Century Enka. But two years ago, in a surprise move, Birla divested Century's 152,000 shares in Kesoram and 100,000 shares in Century Enka. The shares were reportedly sold to B.K. Birla's own company, KCIM Investments, a subsidiary of Kesoram Industries. Corporate watchers interpret this as part of Birla's plan to keep his own group out of Century's ambit. This ensures that the family feud over Century would in no way affect the ownership of the other companies.

For the time being, B.K. Birla is in full control. Asked whether he would adopt the new takeover route to growth, Birla gives a typical old fashioned reply: "My father's philosophy, which I avidly follow, says that one should not grow by taking over companies but by using one's brains to set up one's own. I'm nearly 70 now and, as long as I am able to work, I'd like to do what I do best: nurture and expand existing companies. I'd like to leave takeovers and acquisitions to my son and grandsons."

■

N RADHAKRISHNAN
with DURGESH SHAH

Take the world in your stride.
dinesh
Exclusives ▲ Suitings ▲ Co-ordinates ▲ Safaris
The choice of leading fashion houses, international

AVAILABLE A GOOD-LOOKING AND INTELLIGENT TELEX OPERATOR WHO DOESN'T HAVE A BOY-FRIEND.

(Or, for that matter, doesn't take lunch-breaks, and overtime and doesn't mind working all night.)

THERMAX INTRODUCE TELEMAX. ELECTRONIC TELEX MACHINES THAT CAN CUT YOUR COMMUNICATION COSTS TO HALF.

Say goodbye to your ugly telex machine of yesteryear. To all the delays, the noise, the garbled messages. And the sheer frustration.

Telemax, from Thermax, now offers you a two-in-one. A personal computer. That's also a telex machine. Which means you can use it as a PC, even as you simultaneously dial, slot in-queue, or relay your telex messages.

You can even store messages on floppy discs for filing, or for postponed, automatic relay during half-rate times at night and save up to 50% on costs. Without, of course, keeping your telex operator working overtime!

Telemax is not only silent, good-looking and user-friendly. It's also an asset, literally. The office machine that you can now own, instead of paying out good money on a rented telex machine.

How about cost-effectiveness? Well, Telemax actually cuts your communication costs to half and pays for itself within just a few months.

How's that!

Telemax is yet another value-added product from Thermax.

The company with a keen sense of professional commitment towards product innovation and development. Each of our products bearing this out in its design, functionality and total reliability. Right from quality-assured manufacturing, to after-sales service.

That's what makes every Thermax product an invaluable asset. For years to come.

FOR BUSINESS ENQUIRIES, CONTACT:
THERMAX PRIVATE LIMITED,
COMPUTER SYSTEMS DIVISION,
28/2 KOREGAON PARK,
PUNE 411 001.
TEL: 666593, 663142.
TLX: 0145 549 TMAX IN

THERMAX

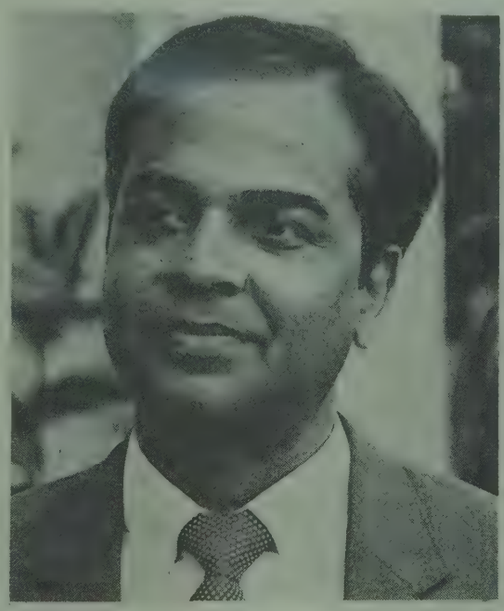
MONSANTO CHEMICALS

Free to grow now

With the recent FERA dilution, the company is now in a better position to expand. But there are doubts whether it really will

Last week, the Bombay-based Monsanto Chemicals of India, a 74 per cent owned subsidiary of the US chemical giant Monsanto Company (sales equivalent to Rs.11,400 crores) made a public issue for FERA dilution. The foreign holding is now down to 40 per cent. After years of frustrating FERA restrictions, the company now hopes to grow fast. "The dilution has given the morale of the employees a tremendous boost," says an ebullient M. Natarajan, managing director of the company, who thinks the company is now poised for a big leap forward.

Besides, from the beginning of this year, the company has been appointed indenting agent for a range of Monsanto products till recently sold through other agencies. "Indenting alone will give us business worth Rs.7 to 8 crores a year," says Natarajan. It also has plans to set up manufacturing facilities for heat transfer fluids and poultry feed supplements in the near future, and some other chemicals later, with technology from the US company. Natarajan, however, declines to disclose further details about the new projects.



Natarajan: raring to go

The butachlor question

Monsanto started its operations in India purely as a trading company, way back in 1949. Much later in 1973, it set up a rubber chemical plant, but sold it off after five years because it was uneconomical to run. In the early seventies, a 550-tonne butachlor formulation plant was set up at Lonavala in Maharashtra. An important herbicide used in paddy fields, butachlor has a large market in India.

Monsanto Company accounts for 90 per cent of world production of butachlor. It also dominates the entire Indian market through other formulators. But its Indian subsidiary, which was a pioneer and developed the butachlor market from scratch, has now lost out to others. To date, Monsanto India is just a formulator of butachlor and one among 40 such units. In the face of intense competition, sales dropped from Rs.8.95 crores in 1983 to Rs.3.30 crores in 1987 and so did profits after tax from Rs.23.41 lakhs to Rs.13.42 lakhs.

Why did Monsanto Company not put up a plant to make technical grade butachlor in India? There are two versions of the story. One is that the US company was never interested in investing money in India. Besides, it was controlling almost the entire Indian market through exports. Critics say that it even tried to stop competitors from entering the market. For example, it had filed a patent violation suit against Coromandal Indag of Madras which wanted to sell butachlor formulations in the late seventies, but lost the case. Then, it spent five long years in negotiations with the public sector Hindustan Insecticides Ltd (HIL) for a joint venture to make butachlor. The deal fell through, and as T.V. Jagadisan, the former managing director of the company, alleges in his forthcoming book, *Turning Point*, "The intention was only to buy time to sell more and more butachlor."

Monsanto India's present management denies all these allegations. It had thrice applied for a butachlor manufacturing licence, they say, but was turned down each time by the government. Similarly, the negotiations with HIL fell through because of differences on issues like the raw material price, equity sharing and management controls, they say.

The fact remains that the Indian operations did suffer, particularly in the eighties. Curiously enough, although the sales and profits plummeted, the management went on declaring high dividends (150 per cent in 1986 and 50 per cent in 1987). In addition the company capitalised retained earnings through three bonus share issues.

Meanwhile, the fate of its traditional product — butachlor formulation — appears to be uncertain. In the last three years, at least five Indian companies have started manufacturing butachlor and its formulations. The import duty on butachlor was also raised recently to protect domestic production and there is already a move to stop imports completely. Thus, eventually, formulators with captive butachlor technical will have an edge.

What surprises corporate observers is the amount of management time Monsanto USA spent in making up its mind on the FERA dilution issue, given that the amount involved is peanuts for a company of its size. A likely explanation is that Monsanto simply had not made up its mind to commit itself fully to manufacturing in India.

Critics of Monsanto also question the mechanics of the recent dilution. Immediately before the issue, in January this year, the equity capital was expanded to Rs.1 crore from Rs.10.82 lakhs by declaring 8.25 bonus shares for each held. Thus, even after selling off 34 per cent, the parent company's holding will be Rs.40 lakhs. Given the small size of Monsanto's equity, if there were immediate plans for a major project, the company, like other FERA companies, may well have issued fresh capital rather than sell shares of the existing equity.

Unfortunately, the company is unwilling to make any statement about its future plans beyond what is stated in the letter of offer. Now, with the FERA constraints removed, it is to be seen how and when the company embarks on expansion and diversifications. But the response to the share issue has been overwhelming. The investing public apparently lays great store by the parent company's name and reputation.

■ DILIP MAITRA
with DEVAPRASAD PUROKAYASTHA
in Bangalore

SUPERLAN

a challenge to minicomputers and a boon to existing micro users

One user one processor

Minicomputer means sharing an expensive central processor among many users, with the attendant problem of severe degradation of performance as more users are added. Zenith-Aurelec's SUPERLAN means as many processors are available as there are users, plus a fileserver with a dedicated processor. What's more, SUPERLAN runs NOVELL ADVANCED NETWARE 286, the world's most widely accepted networking software.

How does a multi-user minicomputer compare with multi-user SUPERLAN?

Minicomputer

The minicomputer represents a major investment in terms of money, time, effort and support personnel.

The degradation in performance is clearly felt as soon as more users are connected.

The setup cost is very high.

New and expensive software has to be written for existing applications.

Users have to be retrained to use a different operating system.

There are severe limitations on the number of active users on a single minicomputer.

Performance can be boosted easily.

[illegible] is very high for commercial or [illegible]

[illegible] is rigidly decided by the minicomputer [illegible]

Superlan

One can start with a single system and gradually build up a multi-user system of up to 255 nodes with 100 active users per fileserver.

There is negligible degradation of performance as more users are added.

The setup cost is low.

Existing software will run, so there are very few added software costs.

Users can work in their familiar DOS environment so little retraining is needed.

There are no limits to the number of fileservers and hence the number of users on a network like SUPERLAN. Furthermore, a user can be connected to 8 fileservers.

Performance can be enhanced very easily by adding more powerful fileservers or nodes.

Superb price/performance ratio makes it affordable to all users.

You decide the configuration and the power you require.

aurelec
data processing systems

Archana Centre, 29 Mount Road
Madras 600 015
Tel: 419051 Telex: 041-21008 ADPS IN

AURELEC DATA PROCESSING SYSTEMS, AUROVILLE (0413) 22481 • CALICUT, 60008 (PP) • COCHIN, 38196 • COIMBATORE, 20081 • MADRAS: LINOT & MADURAI, 24858 • PONDICHERRY, 24822 • TRICHY, 33268 • ZENITH COMPUTERS LTD., BOMBAY, 538181 • SHREEGANAJ, 66410 • BANGALORE, 76048 • CALCUTTA, 483081 • HYDERABAD, 68102 • NEW DELHI, 3712758 • PUNE, 39844 • GOA, 2638 • DEALERS: PC INDIA, MADRAS, 87029 • EASO JOHN & ASSOC., MADRAS, 451236 • MICROHOUSE COMPUTER SYSTEMS, MADRAS, 838121

TRIBENI TISSUES

Changing times

Facing competition for the first time since its inception, this market leader in speciality papers is now concentrating on raising productivity and diversifying. The recent change in ownership overseas should make this task easier

Two major events have taken place in Tribeni Tissues Ltd, the leading speciality paper manufacturing company based in Calcutta. Following a reshuffle in the giant British conglomerate, BAT Industries Ltd plc of the UK (turnover in 1987: £ 17 billion, profit: £ 1.4 billion), Tribeni has been transferred from Wiggins Teape to BATCO — the largest corporate body within the BAT family. Under the arrangement, Myddleton Investments Ltd, which used to hold 51 per cent of Teape's stake in Tribeni, has now been taken over by BATCO.

The other change has been in Tribeni's top management: N.G. Chowdhury, a professional of repute, left the board after a nine-year stint as the company's chairman-cum-managing director. He has been succeeded by K.L. Chugh and R.P. Agarwal, two top executives of Bhadrachalam Paperboards Ltd (BPL), as the chairman and managing director, respectively. Chugh, however, is still MD of BPL, while Agarwal has stepped down as resident director at BPL's Khammam plant in Hyderabad to take up his new assignment.

These changes are reflected in Tribeni's recent technical consultancy agreement with BPL. The latter was promoted by ITC Ltd, the Indian cigarette company, in which BATCO has a 31 per cent equity stake. Also, the entry of Chugh and Agarwal came a couple of months after BATCO's association with Tribeni. This, and the consultancy arrangement, gives Tribeni wide access to BPL's managerial experience.

Merger ultimately?

BPL's association with Tribeni has given rise to wide-ranging speculation about BATCO's ultimate plan for Tribeni. BATCO has large interests in India through the two cigarette giants, ITC and VST (formerly Vazir Sultan Ltd). Many corporate observers believe that BPL's tie-up with Tribeni will ultimately lead to the latter's merger with ITC Ltd, in order to facilitate FERA dilution.

Tribeni's FERA status, by virtue of its 51 per cent foreign holding, is likely to stand in the way of its plans for expansion and diversification. So, the only way out is FERA dilution. Corporate circles in Calcutta feel that ITC may gradually acquire an 11 per cent stake from BATCO to reduce the latter's holding to 40 per cent.

Interestingly, while Chugh and Agarwal do not altogether rule out the possibility of Tribeni's merger with ITC, both are categorical that at present there is nothing in the offing. Says Agarwal, "We don't need to dilute the foreign equity holding right now, since we don't plan to diversify at this moment." And, according to Chugh, "For the time being at least, we are not contemplating any major change in our corporate strategy. But that doesn't mean we will not diversify or expand. That, however, will take some time since we will take it up only when Tribeni has adequate funds of its own."

One point that both Chugh and Agarwal emphasise, however, is that Tribeni's diversification will not be in a totally unrelated area. "We would prefer to continue in the area of speciality papers only, since Tribeni is operating in that business since its inception. Moreover, there is no saturation and there still is a lot of scope for expansion," asserts Agarwal.

Main product

Tribeni's product range includes a wide variety of speciality papers like cigarette tissues, electrical insulating papers, MICR cheques and other security papers, twist wrap tissues, yellow insulating x-ray papers, xerox papers, and so on. But the main product is cigarette tissues which Tribeni has been making from the very

Chugh: no compromise on quality

Agarwal: the key word is productivity

Chowdhury: bidi *tissue project promoter*

outset. According to Chowdhury, who is still associated with the company as a corporate advisor, half of Tribeni's profits come from cigarette papers.

The country's cigarette smoking population, however, is not growing. On the contrary, it is shrinking (which is also the case in major world markets like the US). Over the past few years it has declined by at least 3 per cent. This has had an adverse effect on Tribeni's financial results. In 1987, the company recorded a sales turnover of Rs.37.96 crores, showing a 4 per cent decline over the previous year's Rs.39.45 crores (*see table*).

How can Tribeni overcome this problem? During his tenure as chairman-cum-managing director, Chowdhury took up a plan to enter the *bidi* market with a special type of tissues for wrapping *bidis*, instead of the customary *tendu* leaves. Says Chowdhury, "The item has become scarce after the nationalisation of the *tendu* forests in Orissa by the state government. So we thought, why don't we explore that area?" The *bidi* market is three times the size of the Rs.570-crore (net of excise) cigarette market, and *bidi* tissue is very similar to cigarette tissue. To give an idea of the size of the *bidi* market, Chowdhury points out that many big *bidi* companies in the country each have a turnover running into several crores of rupees.

For the new management too, the *bidi* tissue project appears quite promising. Chugh is enthusiastic about it because *bidi* tissue can be produced with minor alterations in the cigarette tissue making process. "We would not need to invest much to do that", he observes.

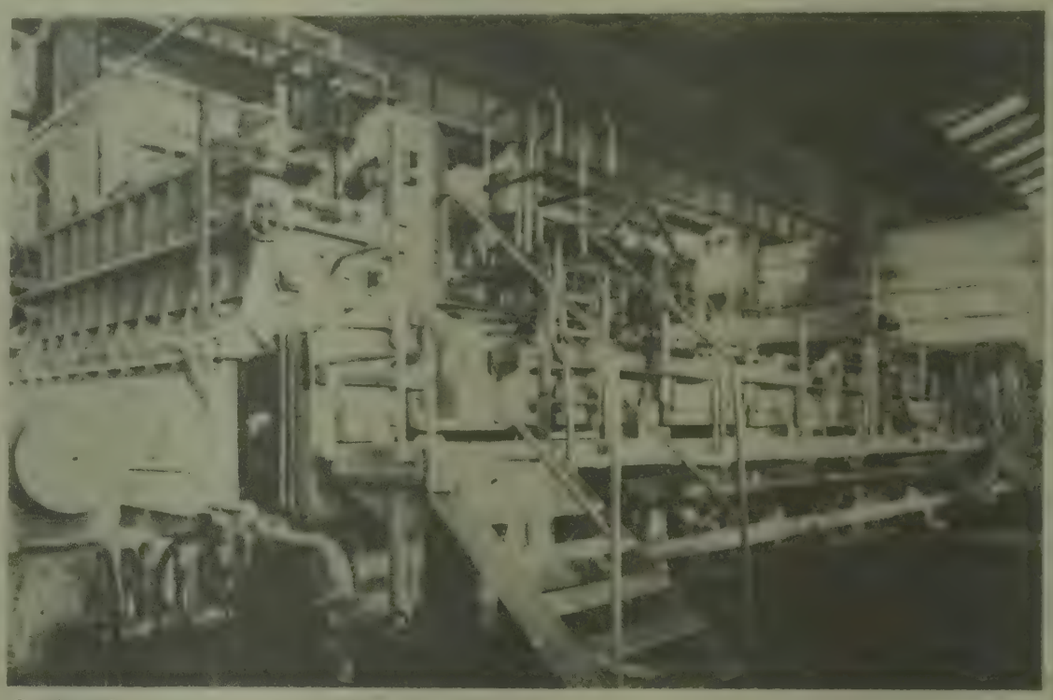
High prices

However, shrinkage in the cigarette tissue market is definitely not the only major problem facing Tribeni. Another is that of high prices. The company is recognised as a producer of first grade speciality papers. But quality makes its product dearer. To quote a senior marketing executive of the company, "In India, the best quality xerox paper comes from Tribeni. But only a small percentage of the total number of xerox machines installed in the country use our xerox papers. This is obviously because of the high price." The executive, who prefers anonymity, says that xerox machine operators use low-priced xerox papers even if it reduces the life span of the machines. Even so, the problem is that they just cannot afford Tribeni's xerox papers.

Under the prevailing market conditions, many other Tribeni products are facing the same problem. According to the marketing executive quoted earlier, the situation is worsening day by day "with the emergence of a number of speciality paper manufacturers".

Among the emerging companies is Paromi Speciality and Tissue Papers, which has taken away a share of Tribeni's cigarette tissue market. The share taken is a mere 2 to 3 per cent, but for Tribeni, this is the first competition it is facing in its 42-year history. Tribeni's other business rivals are Pudumjee in security papers and Ballarpur in carbon tissue, copier bond and MICR cheque papers. In fact, a number of paper companies have switched over to speciality papers of late because of the prevailing recessionary conditions in the industry in general. This has generated a lot of competition in that segment.

In this situation, the only way Tribeni can retain its premier market position is by bringing down its prices. Both Chugh and Agarwal recognise this, but are emphatic that this will not be done at the expense of quality. Thus they are concentrating on raising productivity in every sphere for greater cost effectiveness.



Getting the most out of machines

Key word

Under Agarwal and Chugh, seasoned hands at BPL — which won three consecutive National Productivity Awards from 1982 to 1985 — productivity has become the key word in Tribeni. Already, in the current year, the new management plans to raise Tribeni's production from 13,000 tonnes to 18-20,000 tonnes by 1989.

Clearly, the time has come for this 42-year-old establishment to face growing competition on the one hand, and the demands for diversification on the other. The Indian market for paper has begun to appreciate for the first time the importance of a wide range of speciality papers. For the paper units, this offers new opportunities. Tribeni, with its traditional lead in the market, is well placed to take on the competition.

■ KAVERI MITTRA

(Rs crores)

Year ended 31 December	1983	1984	1985	1986	1987
SALES	27.59	35.02	40.38	39.45	37.96
PRE TAX PROFIT	25.14	30.51	36.36	44.38	12.15
TAX	8.35	16.80	18.80	14.70	1.92
SHARE CAPITAL	63.57	79.46	39.46	79.46	79.46
RESERVES	75.80	59.32	62.57	76.36	77.06
BORROWINGS	68.28	81.74	77.69	78.60	82.59
DIVIDEND (%)	[illegible]	18.00	18.00	20.00	12.00

Ever since Vedic times, colour has held a very special place in India.

Scholars and sages studied the psychological and physiological effects of colour on human life. Recent scientific findings indicate a closeness in thought to the colour symbolism studies of the great rishis.

Yellow.

Discover Yellow.
And feel the warmth of pure intellect.
Like the earth.
Outward in its pursuit and ambition.
A warmth that arises out of sharing.

Sharing knowledge.
Sharing energy.
Sharing love.
Sharing brightness.
Cheer.
A mood to adorn.
Aspiring for radiant qualities.
Expressing hope or expectation of greater happiness.

Colour-Chem **Where chemistry takes many hues.**

Colour-Chem Limited, 194, Churchgate Reclamation, Bombay-400 020.

CCL 15/6

JETDRIVE

PREMIUM NYLON CAR TYRE

The extra wide tyre with an extra deep tread.

Extra deep tread for extra mileage

Yes, that's the most attractive benefit of the Jetdrive. It's the nylon car tyre with extra width and tread depth. Which really means that it has a lot more rubber to keep it running a lot longer.

In addition, here are some of the other unique advantages that only Jetdrive can offer:

Extra wide tread for greater road grip

The Jetdrive also has the widest footprint which offers more tyre surface area to keep in contact with the road. Naturally that gives it a surer grip,ensuring greater stability for you.

Extra wide grooves for greater safety on wet roads

The Jetdrive has been specially designed with wider grooves and angled sipes to make sure you're extra safe on dangerously wet roads. Always.

JK's commitment to quality

And of course, the Jetdrive is manufactured in India's most sophisticated tyre plant, where it's made to match the most exacting quality standards.

Take a good look around. You'll find that only the Jetdrive offers you all this.

For your Maruti, Ambassador and Premier Padmini.

JK TYRE

More mileage for your money.

everest d87 JK1.39.7

VIDESH SANCHAR NIGAM

Dial 00 for profits

The corporation that handles all of India's communications with the outside world has grown fast. Profits are huge, but so are the investments needed to stay tuned in

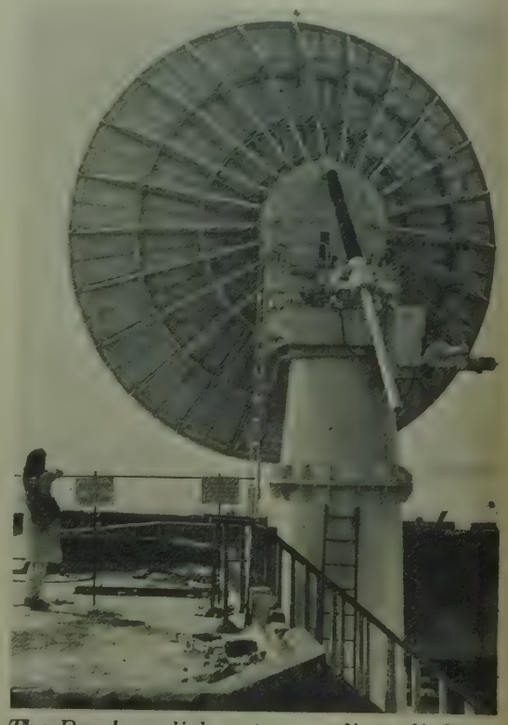
On top of a tall white building in downtown Bombay is a large dish antenna, facing the Arabian sea. A communications satellite is poised 36,000 km away from the earth's surface, ready to receive signals from the antenna. The white building is the headquarters of the Videsh Sanchar Nigam Ltd (VSNL) — the public sector corporation that handles all of India's communications with the outside world. All telephone messages, data communications, telexes, and telecasts from other countries travel through VSNL's links.

In its present form, the VSNL is only three years old. Before 1986, it was the Overseas Communications Service (OCS) wing of the Department of Telecommunications (DoT). Besides the headquarters in Bombay, VSNL has its major centres in Delhi, Calcutta and Madras through which all international communication is routed. At present, VSNL has two satellite earth stations for receiving and transmitting messages at Arvi near Pune (Maharashtra) and Dehra Dun (UP). VSNL also operates two submarine cables linking Bombay to UAE and Madras to Malaysia.

Quick growth

Since its birth as an autonomous corporation, VSNL has registered rapid growth. Revenues increased by 23 per cent in 1986-87 and 33 per cent in 1987-88 to hit Rs.257 crores. The pre-tax profit for 1987-88 was Rs.170 crores — a 37 per cent increase from the previous year. Capital assets have also doubled to Rs.165 crores since 1986.

This high profitability comes largely from VSNL's hefty charges. For instance, an International Subscriber Dialling (ISD) call to the US which cost Rs.36 per minute in 1987 today costs Rs.60. Justifying the high charges, T.H. Chowdary, VSNL's chairman and managing director, says that an international telecommunications carrier like VSNL must generate large surpluses to be able to upgrade equipment whenever necessary. "Telecommunication equipment becomes obsolete rapidly and it is necessary to be technologically compatible with other international carriers," says Chowdary. "With exchanges going digital all over the world, we have no choice but to change over."



The Bombay dish antenna: direct link to the US

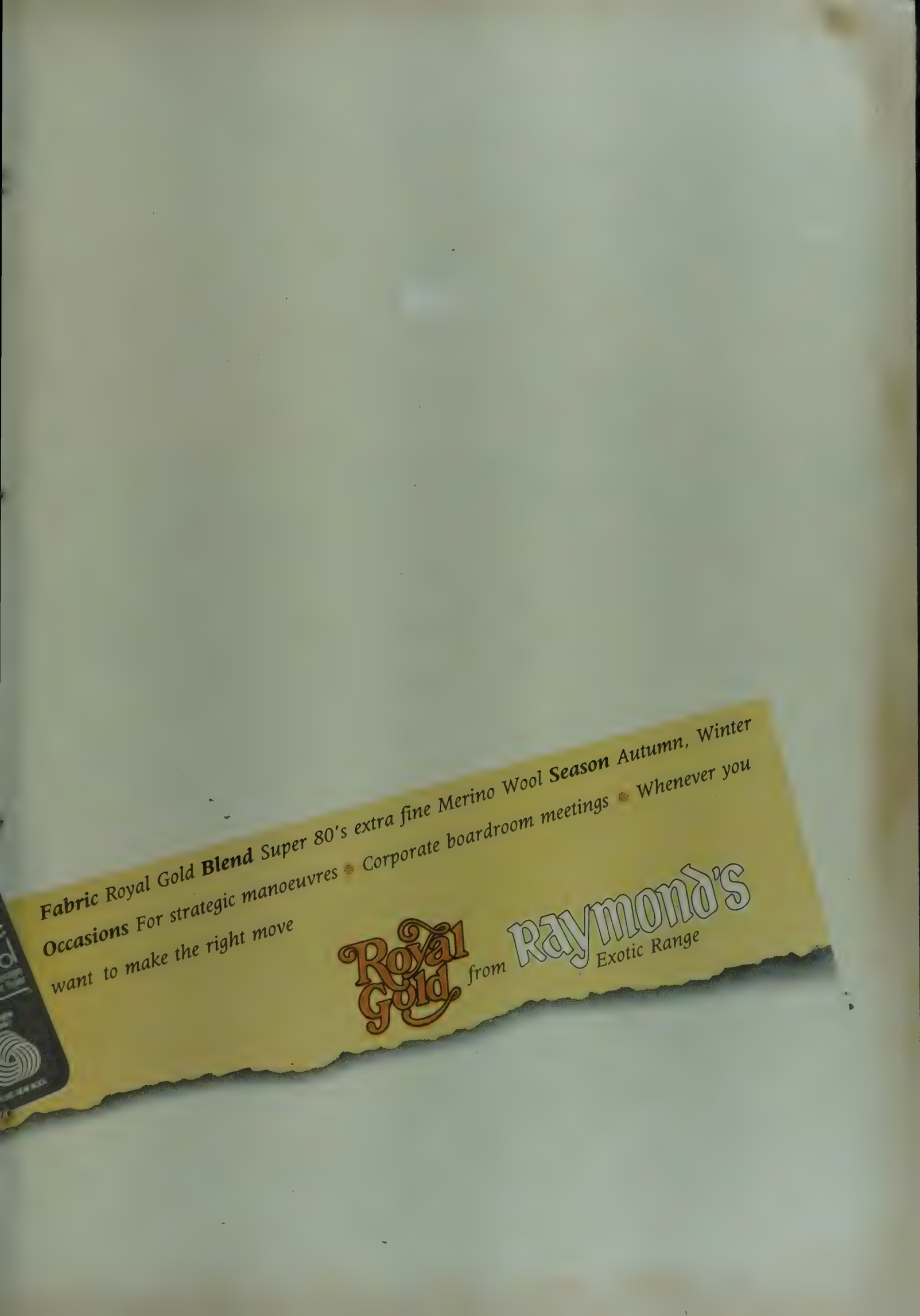
The high revenues have brought trouble from an unexpected source — the DoT. The DoT has decided to take a larger share of VSNL's profits. It has taken the view that although all international telecommunications are routed through VSNL, once the messages reach India, they have to travel via the DoT's network of exchanges and lines. Under the 1984 revenue sharing formula, VSNL pays DoT a certain percentage of its revenue (reportedly around 30 per cent) as "internal haulage charges". However, the DoT now wants a larger share of the pie: as much as two-thirds of VSNL's revenue. Thus, out of last year's revenue of Rs.257 crores, VSNL would have to part with Rs.157 crores! "What is the point of setting up a corporation and then taking away its resources?" asks Chowdary. Not surprisingly, VSNL has appealed to the government.

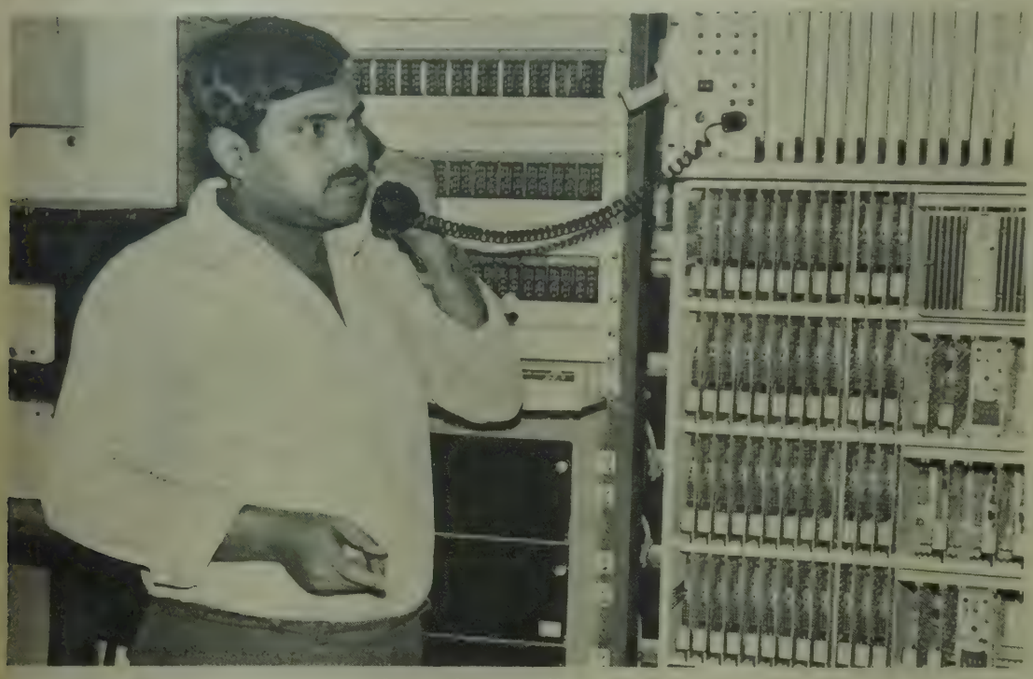
Ministry sympathetic

Knowledgeable sources do say that the finance ministry is sympathetic to VSNL's case, but if the appeal goes unheard, expansion plans could be badly hit. These include upgrading the earth station links at Arvi, building a coast earth station for

Chowdary: heavy investments call for large surpluses

For those in high places, a fabric that goes beyond distinction.


Fabric Royal Gold Blend Super 80's extra fine Merino Wool Season Autumn, Winter
Occasions For strategic manoeuvres • Corporate boardroom meetings • Whenever you
want to make the right move
Royal Gold from Raymond's
Exotic Range



Three-fourths of revenue comes from phone calls

linking up with an International Maritime Satellite Organisation (INMARSAT) satellite and switching over to digital technology at a total cost of Rs.450 crores.

"Under the old system of revenue sharing, we would have been able to meet this expenditure from internal surpluses. Now we may have to resort to public borrowing," says Chowdary. The other alternative is to hike up tariffs — another hole in the subscriber's pocket.

VSNL also faces problems in the collection of bills. "For outgoing telephone calls, we do not bill the subscriber directly," says K.K. Pai, general manager (traffic). "We maintain a record of the number of calls, sources and destinations and bill either the MTNL (for Delhi or Bombay calls) or the DoT. As far as incoming calls are concerned, VSNL is paid haulage charges by the foreign calling party for acting as the interface." Because the billing is so complicated, VSNL receives the payments after a long time lag. For instance, VSNL received cash payments of only Rs.94 crores out of the total revenue of Rs.257 crores, as of 31 March 1988.

As much as three-fourths of VSNL's revenue comes from telephone calls. Before VSNL came into being in 1986, ISD was available to only 11 countries as compared to 177 today. China is the latest addition to the list. Interestingly, the number of incoming calls is roughly twice that of outgoing calls which leads to a net foreign exchange inflow. Last year, VSNL earned about Rs.80 crores in foreign exchange.

That's good news. However, the call completion rate for incoming calls is 21.42 per cent against 38.6 per cent for outgoing calls. The explanation for the lower rate of incoming calls doesn't say much for efficiency. "Our local networks are so inefficient that outside parties are unable to get through successfully and complete the call," says Chowdary. According to him, it is possible to improve the success rate dramatically by concentrating on improving a few key exchanges.

Key improvements

As many as 47 per cent of incoming calls are for the western region. The northern and southern regions claim 25 and 24 per cent, respectively. The three metros, Bombay, Delhi and Madras, account for nearly 70 per cent of all incoming calls, of which Bombay gets the most. Within each metro, 90 per cent of the traffic is taken up by only 10 per cent of the exchanges. Keeping this call profile in mind, Chowdary believes that by upgrading only 40 key exchanges, of the total 12,500 in the country, the success rate can be easily boosted to 40 per cent. "Not only will communications improve considerably, but also foreign exchange earnings will go up by 50 per cent," he says.

However, improving local exchanges is the DoT's job. VSNL can only improve the external interface. It has already set up sophisticated telephone and telex exchanges at Bombay, Delhi and Madras. Calcutta will be upgraded next. The dish antenna in Bombay, which faces the Atlantic Ocean satellite, was commissioned to establish a direct US link. (Arvi and Dehra Dun can only communicate with the Indian Ocean satellites). Messages to the US were previously routed through the Indian Ocean satellites and the UK.

The earth station at Arvi too, which currently handles 600 calls at a time, is being upgraded to handle upto 3,000 calls. "When Arvi was first commissioned in 1971, the entire project cost only Rs.5.5 crores. Today, just upgrading the equipment will cost us Rs.20 crores," says C.K. Naidu, general manager (technical planning).

VSNL is also expanding its range of services. A packet switching system is under testing. When fully implemented, it will allow users in India to access databases anywhere in the world. For point-to-point data communication, a direct International Telecommunication Satellite Organisation (INTELSAT) link-up is already available for transmitting data at the speed of 64 kilobytes per seconds (kbps). Texas Instruments operates this link at Bangalore. For slower data transmission, companies have the choice of leasing a line. Although the line speed is 9.6 kbps, this can be increased to 19.2 kbps with the help of auxillary equipment. The operating cost of this facility is around Rs.9 lakhs a year. Banks are a major user of this service; both Citibank and Hongkong Bank say that the efficiency of the line is very high — more than 95 per cent.

Fax facility

Keeping the smaller customer in mind, VSNL has introduced bureaufax — a fax service for companies which do not have in-house fax machines. For a fee, companies can use the VSNL's fax numbers for receiving facsimiles. Agents have been appointed to take care of deliveries. Other facilities in the offing are audio and video conferencing.

In spite of all this growth and expansion, India's share of the global communications traffic is a small 2 per cent. India was one of the first members on the INTELSAT board and represents the Asia-Pacific region. However, its capital stake (held through VSNL) in the US $-1.45-billion international organisation, which operates 13 satellites for global communications, is only 1.2 per cent. Obviously, there is still a long way to go.

■ GAYATRI BHANDARKAR

HPF, pioneer in the manufacture of Medical X-ray Films in India, is all set to manufacture, in collaboration with Du Pont, Polyester-based Medical X-ray Films.

Ever since commencing operations, HPF has been virtually meeting the entire needs of Medical X-ray Films of the country.

Films that are CTA or cellulose triacetate-based. But worldwide, the shift is towards Polyester-based X-ray Film.

The State-of-the-art coating technology needs polyester as base material.

HPF is keeping pace with this advancement in medical science.

In collaboration with Du Pont, it is already engaged in conversion of Polyester-based X-ray Film.

And now, with the same collaborator, it is gearing itself up for manufacture of the latest generation Polyester-based Medical X-ray Film along with Industrial X-ray and Graphic Arts Films – on a Rs. 168-crore project.

Simultaneously, it is diversifying into integrated manufacture of Magnetic Tapes – for audio, video and computer applications – a Rs. 9.25 crore project. And, as the first step in manufacturing, it is concentrating on conversion of international quality Colour Roll Films and Paper to meet the changing demands from Black and White to Colour.

Last but not least, HPF is marketing INDU Photomaker, an automatic photo-dispensing unit for instant photography that's fast gaining popularity amongst entrepreneurs.

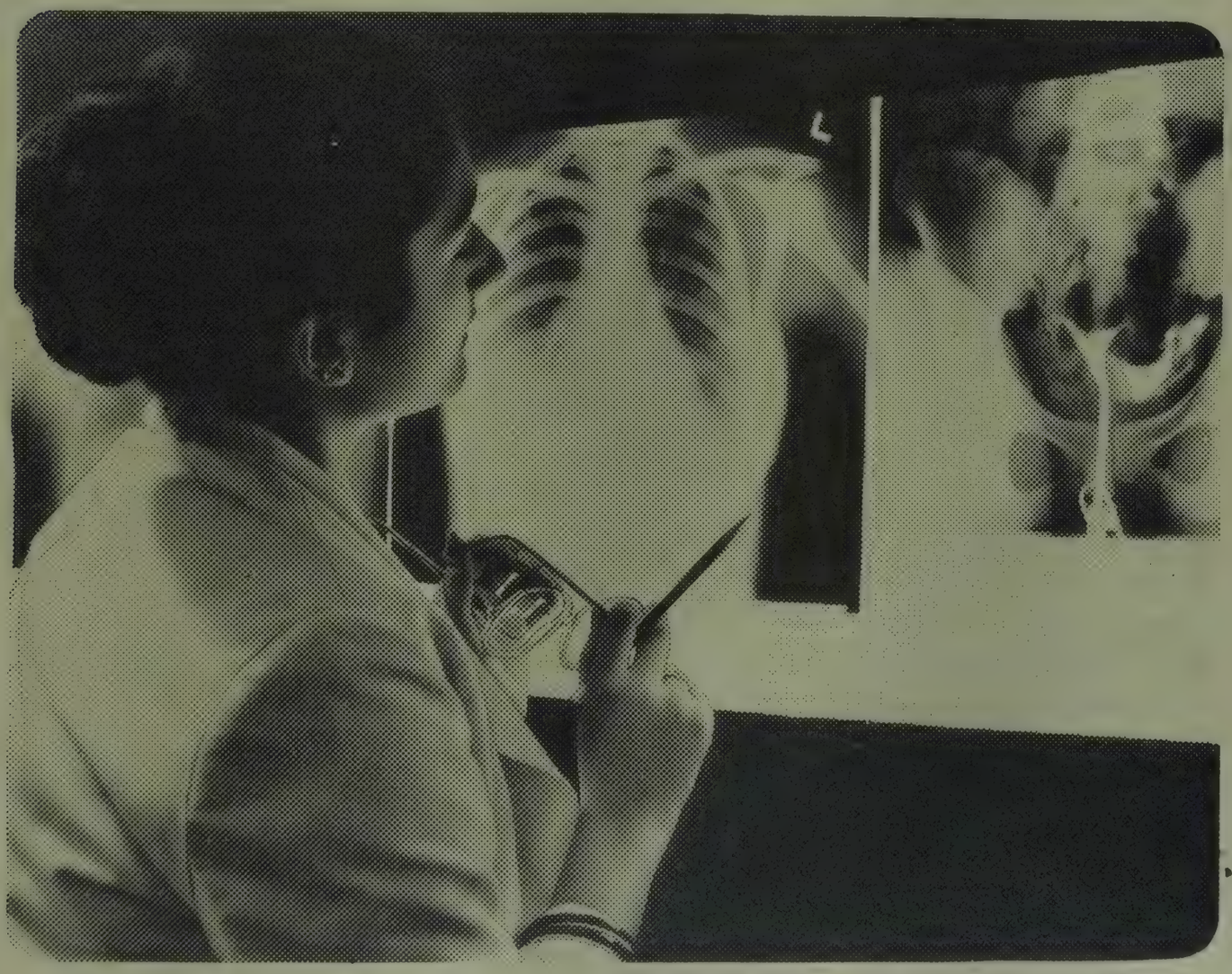
That's HPF: a progressive, profitable public sector organisation that not only cares for the health of the nation but also keeps itself abreast of the changing market demands.

Hindustan Photo Films Mfg Co Ltd
(A Government of India Enterprise)
Indunagar, Udhagamandalam 643 005.

Marketing Headquarters:
Subramanian Building,
Post Box No. 2771,
No.1 Club House Road,
Madras 600 002.

INDU

Exposing today tomorrow's needs



Presenting HPF's latest see-through polyester

R K SWAMY/HPF/6603

"To prosper in a fast-changing world, top business leaders must think more like philosophers..."

Melvin Aushen sees a more expanded role for top executives—in the management of ideas.

It's no coincidence that the Executive Club offers the perfect environment conducive to this dual role.

The exclusivity begins with a separate check-in; and continues to the well-appointed rooms with a host of add-ons—an elegant worktable with an additional telephone extension; complimentary Continental breakfast; special toiletries; bathrobe and slippers....

A full-fledged Business Centre with its meeting rooms; and the Lounge Bar that offers just the right stimulus for work and ideation.

Undeniably, the accent is on comfort, luxury and convenience, set in very exclusive environs. On that score alone, the Club is fertile ground for the management of ideas.

EXECUTIVE CLUB

Welcomgroup's special privilege for the discerning business traveller.

WELCOMGROUP

Executive Club at : Bangalore : Windsor Manor Sheraton. Baroda : Vadodara. Bombay : SeaRock Sheraton. Delhi : Maurya Sheraton. Madras : Chola Sheraton, Park Sheraton.

HTA 6155 C

COKE

The real story

By a neat sleight of hand, Coca-Cola plans to make a comeback in India. But the opposition is fierce and influential. PepsiCo's making angry noises, and of course, so is Ramesh Chauhan of Parle. Which way will the government decide?

Eastwood: here for mutual benefit

Have your Coke and drink it too. Twelve years after it quit India, Coca-Cola, USA is all set to re-enter the Indian market through a 100 per cent export oriented unit (EOU). The resurrected cola will be hawked through Noble Soya Ltd and Pure Drinks Ltd — makers of Campa. But save these two partners, almost everybody else is frothing at the mouth.

Thunders cola king Ramesh Chauhan, "The Coke proposal makes a mockery of Indian laws." Comments Ramesh Vangal, Pepsico's representative in India "It is a classic case of a backdoor entry. If Coke is allowed in this manner, we will be forced to review our options in India." Undoubtedly, Vangal meant business. On 10 February, just three days before the government was to decide on the Coke proposal, PepsiCo, USA also filed an application similar to Coke's with the obvious intent of stalling it.

A neat bypass

The law, somebody said, is an ass. And for sure, Coke exploited it to the hilt. The reasons which made Coke quit India in 1977 have been neatly sidestepped this time. Coke will neither dilute equity, nor get its secret formula into India. The multinational giant will promote an Indian outfit called Coca Cola India Ltd. It will be fully owned by Coca-Cola South Asia Holdings Inc, a fully owned subsidiary of Coke Inc, USA.

Coca-Cola India Ltd — set up at a total cost of Rs.3 crores — will manufacture certain "proprietary ingredients" in the NOIDA export processing zone (EPZ) on the outskirts of Delhi. Ostensibly, this will be a 100 per cent EOU. But under exisiting laws, 100 per cent EOUs are allowed to sell up to 25 per cent of their production in the domestic market — Coke obviously intends to cash in on this stipulation. It is lucky enough to be able to use the Coca-Cola brand name on domestic sales too, because its brand name continues to be registered in India from the time it first came. Undoubtedly, Coke will have the best of all worlds!

In its new *avtaar*, the NOIDA based Coke EOU will have a plant capacity of 600 tonnes per annum. The proprietary ingredients produced here will be sold to a domestic concentrate plant to be set up by a joint venture company in which Coke will have no more than 40 per cent equity. The total sales revenue in the first five years works out to Rs.33.23 crores, out of which exports will account for Rs.25 crores.

The point Coke is taking pains to emphasise is that its re-entry will hardly upset the domestic industry since its Cola will take up barely 10 per cent of the

Pepsi and Coke: battling it out in India

The Uses Are Definite.
The Economics Make Sense.

The CD Stud Welder is ideal for use where large scale production lines must ensure quicker productivity in the manufacture of pressure cookers, metal utensils, switchgears, transformers, steel cabinets, electrical terminals and anywhere welding operations are to be undertaken.

Consider the advantages:

- Minimal maintenance costs
- Material handling more economical
- High operational speed reduces labour inputs
- Lower tooling costs
- Energy consumption minimised since welding time is less than 0.002 seconds

... And the benefits

- Electronically controlled. Easy-to-operate.
- No punching, drilling, riveting, stacking, spot welding or buffing required.
- Nominal or no finishing required after welding.
- No distortion, no burn-thrus.
- Stud can be welded to any plane

mechelonic
WELDERS PVT. LTD.

Admn. Office & Works:
18, Govt. Industrial Estate, Kandivli (West),
Bombay 400 067. Phone: 6056447 (4 Lines)
Telex: 011-71126 WELD IN
Gram: 'WELDIT' Bombay 400 067 INDIA

Mechelonic capacitor-Discharge Stud Welder (CD) (Model 20-50 series)

mechelonic®

market. Besides, Coca-Cola will earn precious foreign exchange for the country.

Nobody's buying these innocent protestations. Opposition to the proposal has been fierce. Particularly vehement has been the food processing ministry. The ministries of finance and industries have also raised objections.

Violating the spirit

Many powerful persons, including commerce minister Dinesh Singh, feel that the Coke proposal violates the spirit of EPZs. The general feeling is that the proposal misuses EPZs for manufacturing low technology, non-essential consumer items with an eye on the domestic market. It is also felt in government circles that EPZs were started to encourage Indian entrepreneurs with Indian products to tap world markets. If Coca-Cola is permitted to use the EPZ route to enter the Indian market, the commerce ministry fears that if may inadvertantly open up a floodgate to foreign consumer products.

The food processing ministry is also worried about how PepsiCo will react. The ministry is obviously keen on the food and fruit processing technology which will come into India through PepsiCo. The proposed exports of food products will also open up a window for India to world markets. So if PepsiCo withdraws from Punjab to take the Coke route, then the entire rationale behind allowing the soft drinks multinationals into India collapses. Asks Gokul Patnaik, managing director, Punjab Agro Industries Corporation (PAIC) one of the promoters of the Pepsico-Voltas-PAIC venture, "If PepsiCo pays more attention to its EOU, what will happen to the food and fruit processing projects?"

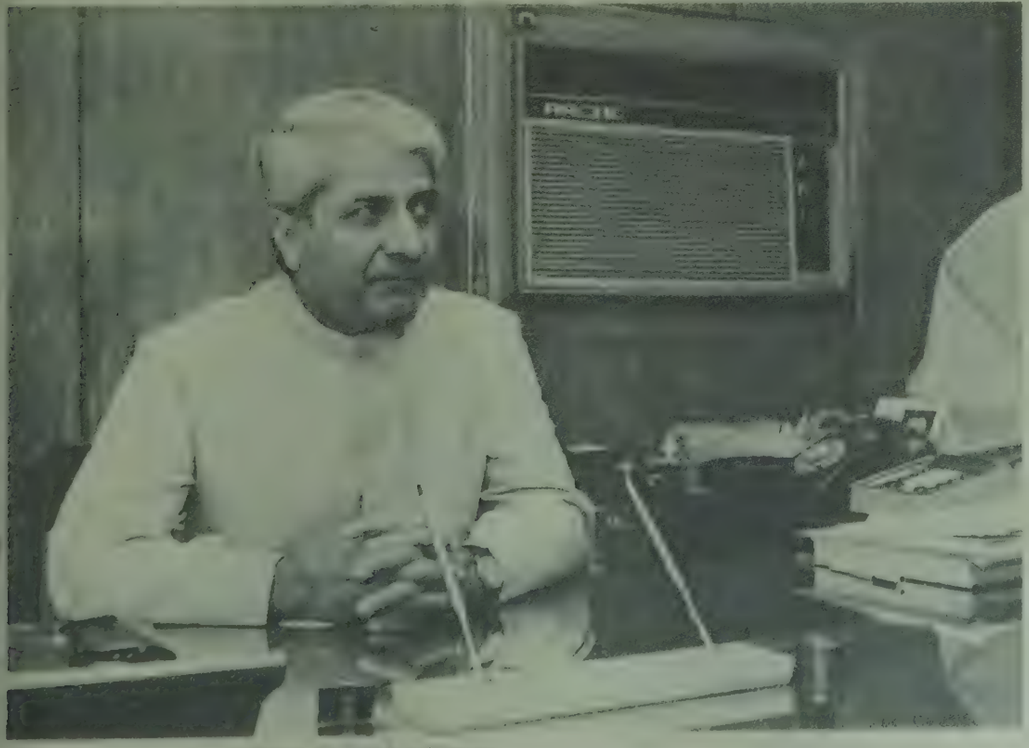
Says Zahid Baig, principal executive officer, Tata Services and a key person who pushed the Pepsi proposal through in Delhi: "The Coke proposal will negate all that has been achieved. Why not change the EPZ laws when it is obvious that it can be exploited?"

Clearly, PepsiCo feels that it has been taken for a ride. "The government has imposed a number of stringent conditions on our project which we have accepted. Why make an exception with Coke?," asks Vangal. According to him, the current Coke proposal is more or less similar to the first PepsiCo proposal of 1985, mooted in collaboration with Duncans Agro, which was rejected outright by the government. Asserts Vangal, "We are not scared of competing with Coke. In fact, we'd love to take Coke head on. But then, how do you expect PepsiCo to compete if the dice is loaded in Coke's favour?" Adds A.H. Tobaccowala, chairman, Voltas, "If Coke is allowed entry, it must be on the terms that were set for Pepsi." Consider:

- PepsiCo has to earn $ 5 in hard foreign exchange for India for every dollar of imports. Coke will be obliged to earn a maximum of $3.
- PepsiCo has committed itself not to use its brand name for domestic sales. Coke has given no such commitment.
- Three-fourth of the turnover of the PepsiCo-Voltas project will constitute food and fruit based products. The Coke project will be purely cola based.
- PepsiCo has committed not to take more than 25 per cent of the domestic cola market. Coke doesn't have to and has not committed anything, though it has indicated that domestic sales of Coca-Cola will not exceed 10 per cent of the market. However there is nothing to stop Coke from aiming higher so long as its exports rise in tandem.
- PepsiCo will be a minority shareholder — for the first time in its history. It will also manufacture the concentrate locally — which it doesn't in any of the 15 countries it operates in outside the US. On the other hand, Coke will import its secret formula and have 100 per cent control on top of that.

Ridiculing PepsiCo's wrath, Coke representatives point out that, all over the world, Coke is essentially a soft drink company while PepsiCo is largely a food products manufacturer. Its contention: if two-thirds of PepsiCo's worldwide turnover constitutes food products, it should not baulk at concentrating on the same in India as well. Coke representatives also indicate that the company is interested in the project even if the brand name Coca-Cola is not allowed for domestic sales. So why is PepsiCo making such a fuss, they ask. Says Stuart Eastwood, director business development of Coca-Cola in South Asia, Middle East and Africa, "Our proposal is mutually beneficial for both us and India. We could easily open a bottling plant or EOU in some other Asian country where we already operate."

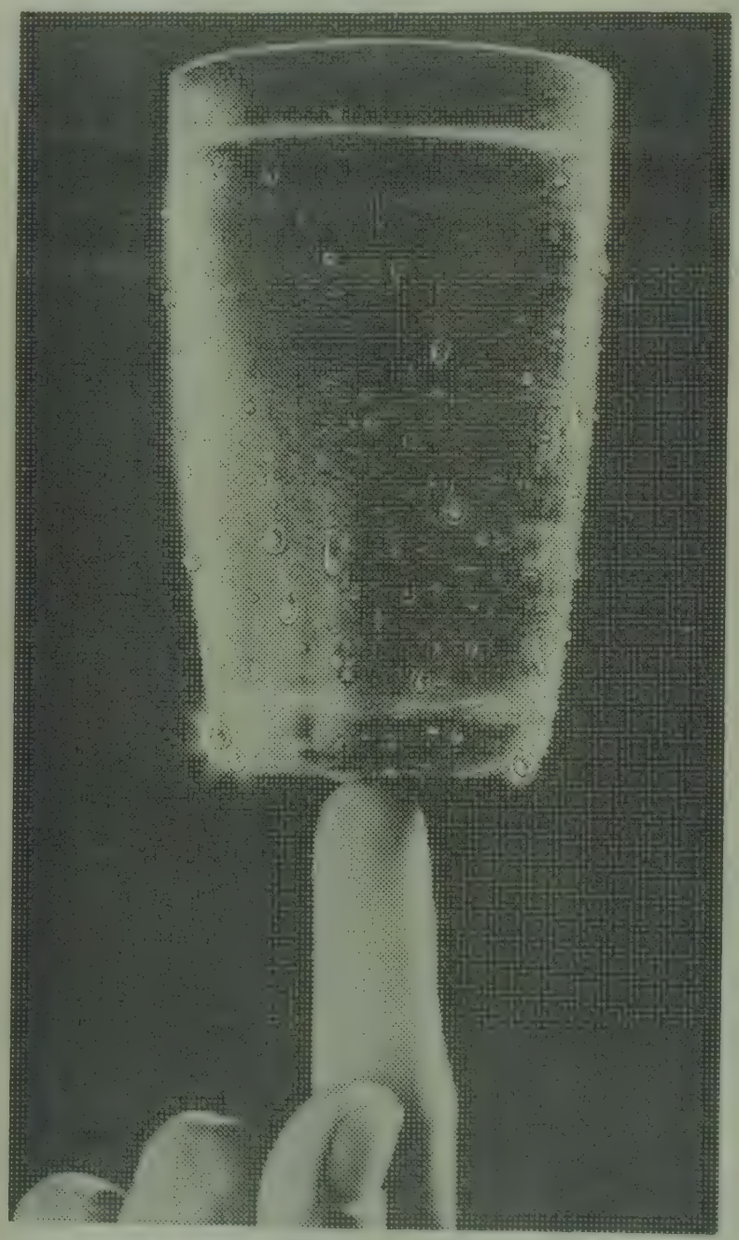
In any case, many marketing men would love to watch Coke and PepsiCo slug it out in India. Many, yes, but definitely not Ramesh Chauhan, chairman, Parle and currently the undisputed king of the soft drinks industry with a 65 per cent market share. Interestingly, the Parle chairman took his own time to campaign against Coke. High pitched objections to the Coke proposal began only in late December, more than a month after it was submitted to the commerce ministry. In fact, he was even dropping hints that Parle was angling for a collaboration with Coke.



Dinesh Singh: opposition in high places

"Why didn't we think of that before?"

That's what the competition always says.
Everytime Blue Star comes out with something new.



The first water cooler in India

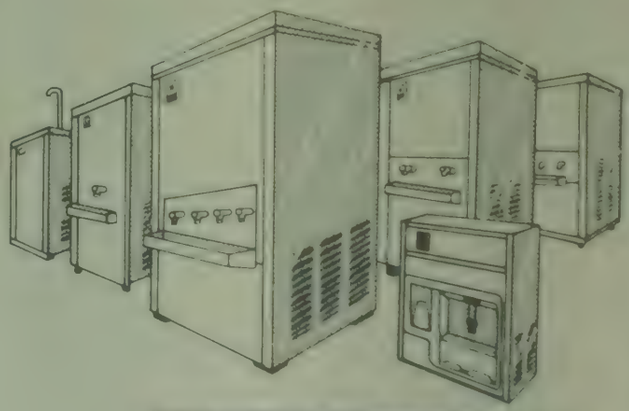
Stainless steel front panel on several models

The only wall-mounted water cooler

Stainless steel body on two models

A large number of models with the ISI mark

The only Indian company to export water coolers to over 30 countries



BLUE STAR
Aquarius
WATER COOLERS
Select models available on DGS & D Rate Contract

★ BLUE STAR
The only guarantee you'll ever need

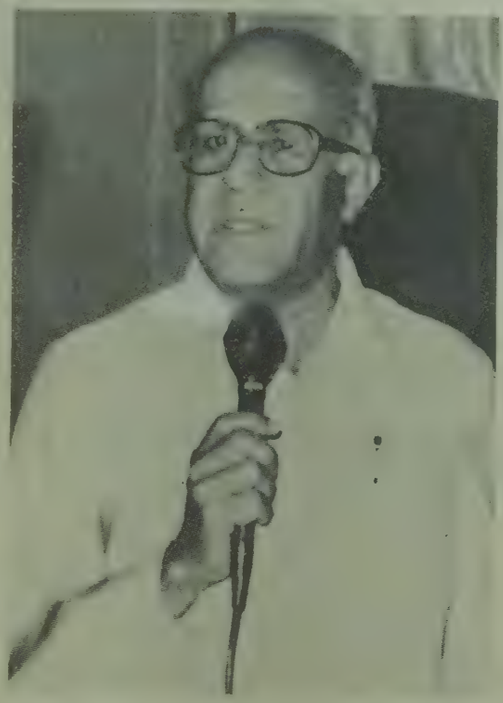
FSA/BSL/14.88

For more information, please contact Blue Star Limited offices at: Bombay, Delhi, Calcutta, Madras, Ahmedabad, Baroda, Indore, Pune, Nagpur, Bhopal, Chandigarh, Kanpur, Jaipur, Lucknow, Jamshedpur, Guwahati, Bhubaneshwar, Patna, Bangalore, Secunderabad, Cochin.

But that turned out to be a smoke screen. Chauhan has now aimed all his guns at the Coke proposal. In successive petitions to the commerce ministry, the All India Soft Drink Manufacturers' Association has pointed out several alleged irregularities in the Coke proposal and requested the ministry to reject the proposal.

The major accusation is that the value added in Coke's project is only 11 per cent, which is far below the minimum 30 per cent stipulated under EPZ rules. Coke however claims that in the first five years of operation, the value added by the project amounts to almost 88 per cent, and even if dividend remittances are excluded, the value added is 64 per cent. Like most technicalities, this too is confusing and nobody seems to be sure. Coke's critics point out that in any case, it is essentially a matter of fixing a "transfer price" with the parent company to which the Indian outfit will sell its products. Thus, there is no method of computing a reasonable estimate of value added.

In one memorandum to the commerce ministry, the association says that since the 25 per cent domestic sales clause is supposed to be approved, on a case by case basis, it should not be in this case. Because, apparently, EOU rules state that domestic sales should not be permitted if they can jeopardise local industry.



Tobaccowala: Coke and Pepsi must be treated on par

Various other petitions have been made to "save" local industry. One such attaches a legal opinion of a Supreme Court advocate who says that the brand name Coca-Cola cannot be allowed legally for domestic sales. In any case, Coke's representatives view these allegations as typical tactics employed by Chauhan to stall a project he doesn't like. Indeed, the soft drinks association has attacked the proposal on various grounds. Ironically enough, PepsiCo and Ramesh Chauhan, otherwise bitter foes, have become comrades in arms against Coke.

Despite the barrage of objections, the consensus seems to be that the Coke proposal is on solid ground — at least technically. In fact, ministry officials privately marvel at the swiftness with which Coke reacted to the new EPZ rules.

Quick response

On 2 May, 1988, the commerce ministry issued a notification which permitted domestic sales of up to 25 per cent of turnover by an EOU provided certain conditions were met. By 16 November, 1988 Coke had a detailed project proposal ready — meeting all conditions. What took PepsiCo more than four years of patient plotting and lobbying, has been achieved by Coke in a matter of months! Even more galling for PepsiCo — and cheering for Coke — is the fact that the same soft drink manufacturers who had ganged up against PepsiCo's entry to India have lined up eagerly for a tie-up with Coke — Chauhan too, if reports are to believed.

Now, of course, the Indian partners of Coke have been more or less finalised. Noble Soya Ltd — the Godrej and Great Eastern Shipping venture — is slated to manufacture the cola concentrate for domestic sales. This tie-up is an undisguised blessing for Noble Soya, whose soya-based drink Great Shake did not do too well. In fact, the Noble Soya plant was lying idle till it obtained a franchise from Lipton India Ltd to manufacture its successful fruit based drink "Tree Top". Now, according to Coke's representatives, Noble Soya is also on the lookout for a suitable bottling unit in or around Bombay.

For the moment, however, it will be Charanjit Singh who will regain his title as the Coke bottler in India. Before Coke left India in 1977, Singh's Pure Drinks was its official bottler. Evidently, happy days are here again for him.

But there is a hitch here: what happens to Campa Cola if Pure Drinks bottles Coca-Cola? Singh was not available for any comment on this. It will be quite odd for Pure Drinks to bottle both Campa Cola and Coca-Cola since they will have

Godrej: chosen to partner Coke

DATABYTE'S TLX-10

ELECTRONIC TELEX/TELEPRINTER

Why did State Bank of India, Indian Airlines, United News of India, Videsh Sanchar Nigam, Press Trust of India, Indian Airforce and Bank of India select 'Databyte' for their Bulk requirement of communication terminals ?

The answer is simple:

1. **WIDEST RANGE —**
   - * Single Port: Telex/Teleprinter
   - * Multiport: A Single machine can handle upto four telex/teleprinter lines simultaneously.
   - * Bilingual: You can now send/receive your messages in English as well as in Devnagari.
   - * Receive only teleprinters: Here again we offer English as well as Devnagari.
   - * Short Haul Modems/Lines Drivers.
   - * And now PC-Telex Box too!: Our Telex box does not have the drawbacks that others do,for instance you do not have to leave your PC on in order to send messages at night.
   - * Soon to be introduced: PSTN terminals.
2. **RUGGED & RELIABLE** — TLX-10 confirms to stiff environmental specifications of defence.
3. **USER FRIENDLY** — so simple, anyone can operate.
4. **INDIGENEOUS TECHNOLOGY** — The entire range has been developed by our in-house R&D team — Comparable to the best in the world — Approved by DSIR.
5. **FIELD PROVEN** — over 500 installations.
6. **SERVICE NETWORK** — The best is backed by a matching All India Sales & Service network.
7. **FUTURISTIC** — TLX-10 can be field upgraded to communicate with networks such as PSTN, X25, X400 Etc.
8. **EXECUTIVE MAIL BOX** — Busy Executives can call their telex number from anywhere in the world at any time and pick up their mail.
9. **NEVER BEFORE FEATURES** — * Battery backed up memory * Memory upto 160 KB * Multiport * Security Lock * Pre-Transmission time * Reliable * Power fail mode * Multi tasking * Word processing * On line traffic * Status * Different type Style * Autodial * Fixed Time calls * Message scheduling * Broadcasting * Refile * Message & Time stamp * Speed dialling * Compatible with all telex exchange * Executive mail box.

WANT TO KNOW MORE? JUST DIAL ANY OF THE FOLLOWING NUMBERS AND TYPE YYYYTELLME 145-596 BYTE IN, OR 31-71075 MTEL IN.

Leadership through indigeneous technology!

• TLX-10 complies with defence requirements as per JS 55555
• TRC Approved No.51-118/88 TRC Dt. 14.3.88 for Telex and Private Wire

databyte
Equipment Pvt. Ltd.

200 Narayan Peth Laxmi Road, Pune 411 030.
Tel.: 444742/437032 Tlx.: 145-596 BYTE IN.

India's first and only screen based bilingual Electronic Telex/Teleprinter.

We are also located at: *Bombay:* 8-33/34 Grant Building, Arthur Bunder Road, Colaba, Bombay 400 005. Tel.: 204 2553/204 2858/204 3870. Tlx.: 11-3796 YMC IN. *Delhi:* B-3 Guru Angad Bhavan 71 Nehru Place, New Delhi 110 019. Tel.: 644 8415. Tlx.: 31-71075 MTEL IN. *Madras:* Dinroze Estate, 79 Mount Road, Madras 600 002. Tel.: 848584. Tlx : 416693 EXHO IN. *Calcutta:* P-19, C.I.T. Road, Scheme X-M, Calcutta-700 010. Tel.: 363290. *Nagpur:* Tel.: 23115. *Patna:* Tel.: 55435. *Hyderabad:* Tel.: 75191. *Bangalore:* Tel.: 367438.

to compete in the same market. Industry observers hint that Singh might gradually withdraw Campa Cola from the market.

Even if Campa Cola continues to be sold, Singh will have to find a logo different from the existing one — which is very similar to that of Coca-Cola! (In fact, Coke was reportedly quite miffed at this plagiarism after it quit the country in 1977). Industry observers feel that the large investments required for new bottles and the logo will probably persuade Singh to kill Campa Cola and use the existing infrastructure to bottle Coca-Cola. That's just a guess.

Ambitious plans

But one thing is certain. Coke has ambitious plans for the Indian market — all the talk about exports notwithstanding. And what worries domestic cola manufacturers is that if Coke exports more, it sells more in India.

The logic is simple. In the first year of operation, total sales are projected to be Rs.4.5 crores, or a production of 157 tonnes of "proprietary ingredients". Total production in the fifth year is estimated at 298 tonnes. But the capacity of the plant is 600 tonnes a year. And just about everybody in the industry agrees that it will not be a difficult job to produce 600 tonnes in the first year itself.

Dismissing PepsiCo's wrath, Coke representatives point out that all over the world, Coke is essentially a soft drink company, while PepsiCo is largely a food products company. Its contention: if two-thirds of PepsiCo's worldwide turnover constitutes food products, it should not baulk at concentrating on the same in India as well

If this happens, the equation changes dramatically. Coca-Cola could then have total sales of Rs.90 crores in the first five years, almost three times the figure of Rs.33 crores it has put out. Almost 30 per cent of the domestic cola market, not 10 per cent, as it says. There's more to it. Expansion of capacity is easy, and Coke hasn't indicated that it will restrict capacity to 600 tonnes. What happens if capacity is doubled after a couple of years?

Interestingly, the proposal shows fantastic profits for the project. The net profits generated in the first five years will be Rs.18.75 crores out of a total sales of Rs.33.23 crores: a 50 per cent profit margin. Rs.5.5 crores goes back to the US as dividend remittances, leaving Rs.13 crores in India. What will Coca-Cola India do with the money?

According to Coke representatives, it will use this money to absorb lower profitability in the second five year period. Firstly, the tax holiday for the EOU will expire after the fifth year which means that a substantial chunk of profits after the fifth year will go as taxes. Second, Coca-Cola India will not raise prices despite increases in raw material costs which are inevitable. This will also reduce profits according to Coke representatives. Another possibility talked about is that Coca-Cola India will spend on advertisement campaigns and other gimmicks.

A smart trick!

It's all quite incredible — sheer sleight of hand. By investing a mere Rs.3 crores, Coke will be able to spin off a company which can sustain itself and possibly capture 30 per cent of the market. No wonder, multinationals are often considered to be the smartest guys in town.

Incidentally, the Coke profit figures also indicate the kind of money Chauhan rakes in. However, with both PepsiCo and Coke entering the market, Parle's dominance will inevitably decline. Not just because there will be more colas in the market. PepsiCo and Coke both are reputed for their money and marketing muscle, and also know every dirty trick in the book which Chauhan might use.

Chauhan may not be the only loser. India will also lose, if PepsiCo abandons the Punjab project and does a Coke on us. The commerce ministry won't be able to say no.

But still, with political opposition mounting against both Pepsico and Coke, and this being an election year, the government might just ask both to quit. The latest indications are that the relevant EPZ laws may be changed to bar Coke from the domestic market. If that happens, it will be Chauhan who'll have his cola and drink it too.

■ SUTANU GURU

Chauhan: a loud no to Coke

How to fax a document to New York a sales report to Ghaziabad or a drawing to Bangalore from your PC in Bombay.

Need a fax facility. Get it now

How many times have you been unable to send urgent information to a foreign associate because he has a fax machine and you don't?

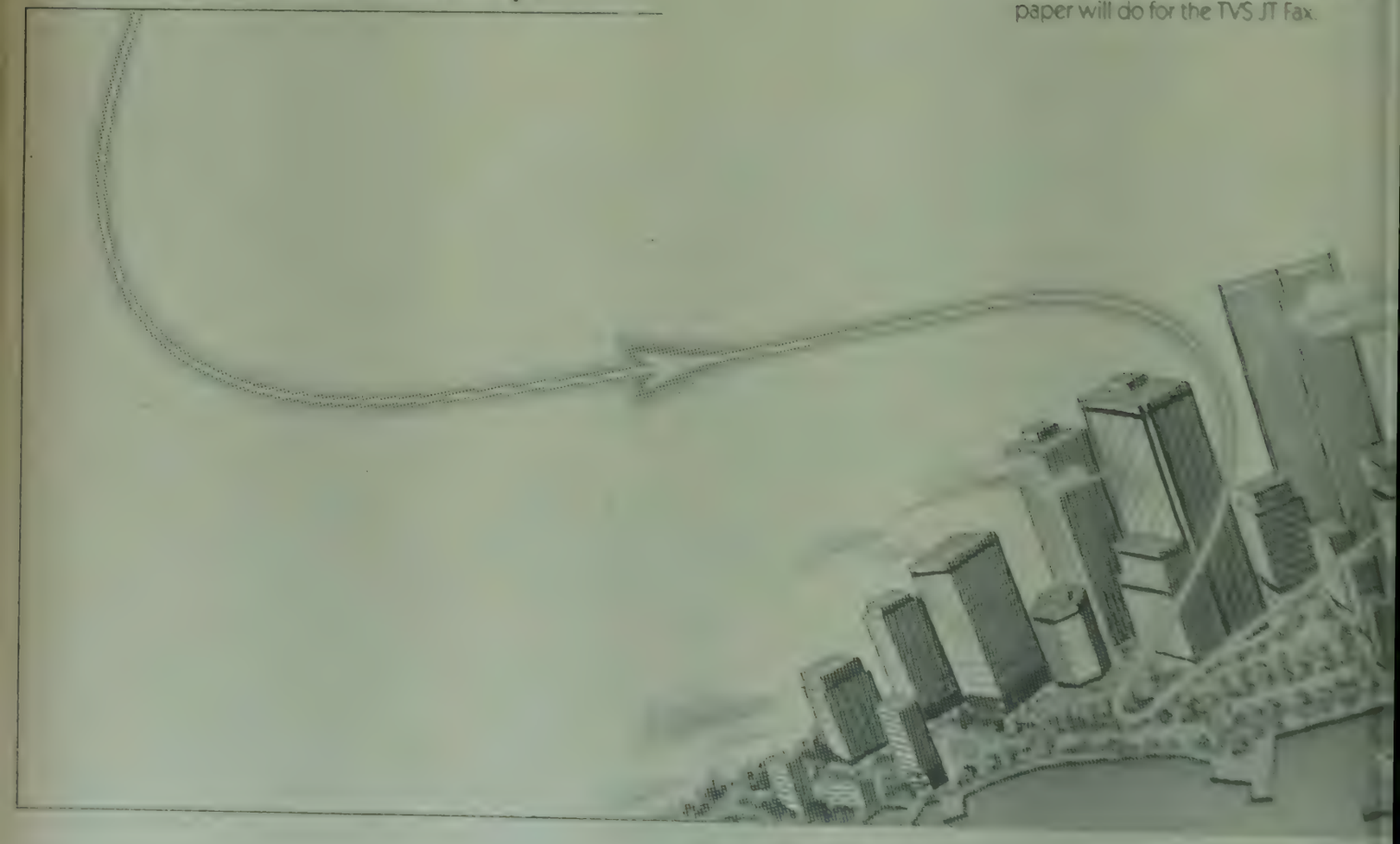
Now you can use your PC for the same. Through a small miracle called the TVS JT Fax.

It's a card which slips into your PC, turning it into a facsimile communication system which can communicate with G III fax machines all over the world. As well as PC s with similar cards.

You can send and receive letters and drawings at speeds upto 4800 bps.

A fax facility you can afford

Just Rs. 14,495/- * for the TVS JT Fax. Whereas you would have to spend over [illegible] of rupees for a fax machine. And when it comes to running costs the difference is enormous. The fax machine uses thermal paper, which costs as much as Rs. 3/- per sheet. Whereas ordinary paper will do for the TVS JT Fax.



TVSE
TVS ELECTRONICS

INTRODUCING

TVS JT FAX

It turns your PC into a powerful facsimile communication system.

Software which packs a lot

User friendly software with pop-up menus makes the TVS JT Fax an absolute pleasure to use. Besides, it is feature-packed, offering a large directory, automatic re-dialling and transaction log, among other things.

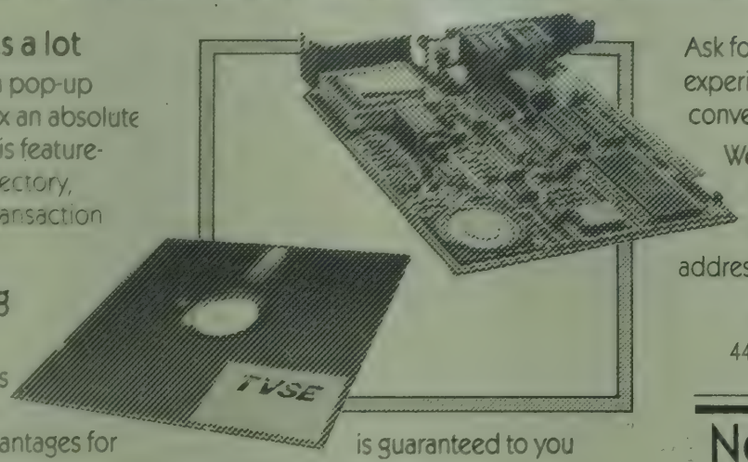
Night-time scheduling

Another exciting feature...

You can schedule messages for night-time. To multiple locations. This has two advantages for you... Lower rates for national transmissions... and uncrowded lines.

From TVSE — The complete computer peripherals company

The quality and reliability of this product



is guaranteed to you because it's from TVSE.

Your call to action

When you consider how much you need a fax facility and how affordable the TVS JT Fax is, why delay?

Ask for a demonstration, so you can experience the speed, economy and convenience for yourself.

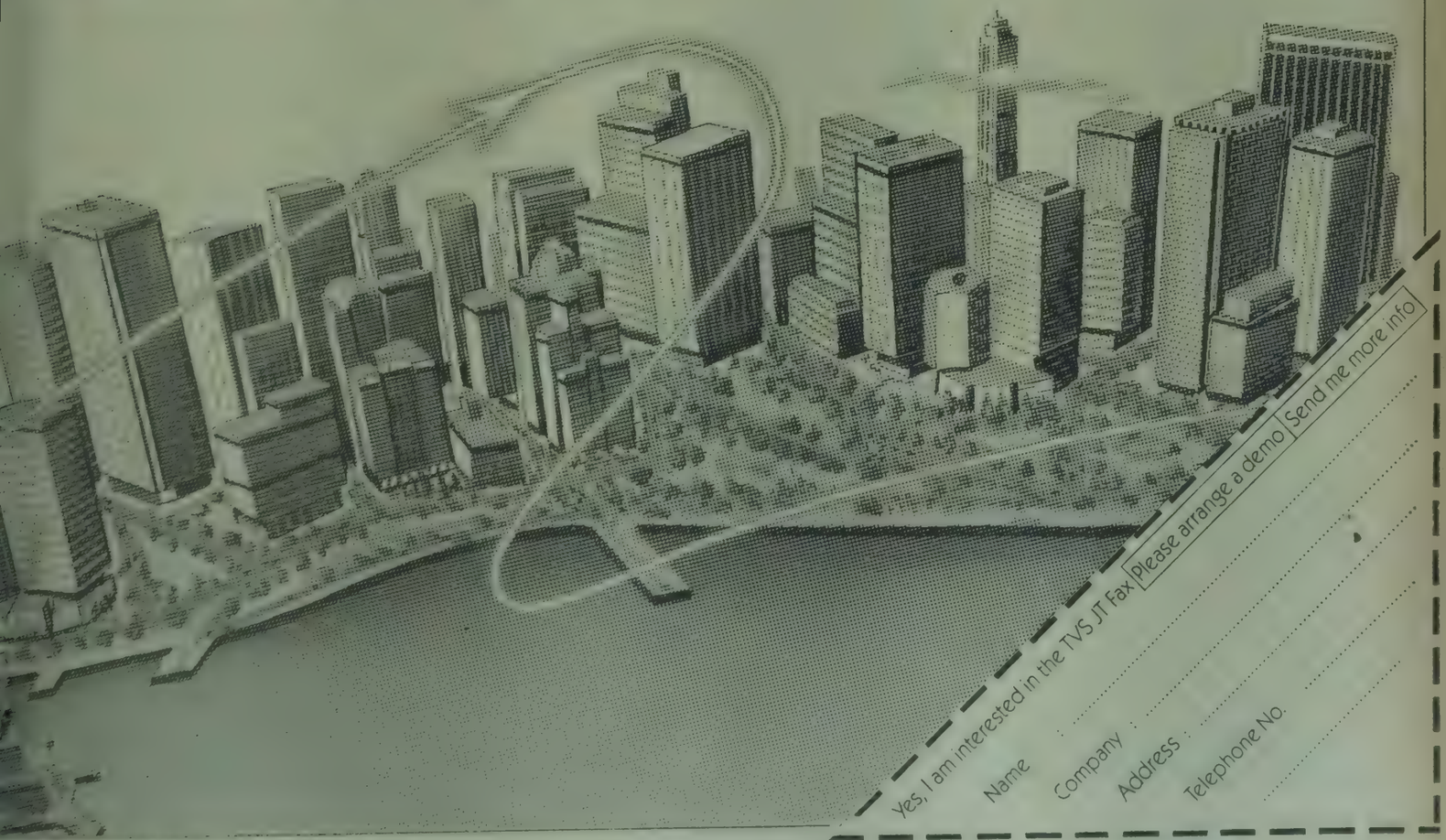
We will be glad to spend as much time with you as necessary.

Contact our dealers at any of the addresses below. Or action the coupon to:

TVS Electronics Limited
44, Miller Road, Bangalore 560 052.

Now a fax facility for just Rs. 14,495/-*

*Local taxes extra



Yes, I am interested in the TVS JT Fax | Please arrange a demo | Send me more info

Name .....

Company .....

Address .....

Telephone No. .....

AUTHORISED DEALERS

Bangalore: Datamarg, Tel 642642 ● **Bombay:** Ashtech Systems and Services, Tel 4927388 ● Datamarg, Tel 6141928 ● Sound Electronics Corporation, Tel 2870213 ● **Calcutta:** Anjay Business Services, Tel 425840 ● Electrocraft, Tel 267360 ● **Delhi:** The Calculus, Tel 345980 ● Yamuna Syndicate, Tel 641677 ● **Kanpur:** Computer Vision, Tel 210094 ● **Madras:** Datamarg, Tel 457012 ● **Saharanpur:** Applied Business Computers Tel 7830

TVS 375 89

To preserve fresh vegetables and fruits, frozen foods and imported provisions. Who can be trusted to do the job?

The Blue Star Storekool Cold Room.

For over 25 years, Storekool has played a vital role in India's finest hotels.

Keeping perishables as fresh as the day they were born.

With the latest design from Viessman, West Germany, Blue Star Storekool is available in 3 models:

PC Series (4°C to 25°C)
PR Series (-5°C to 4°C)
PF Series (-15°C to -10°C)

The Storekool takes less than 6 hours to assemble.

And a modular design helps in easy relocation or expansion at any future date.

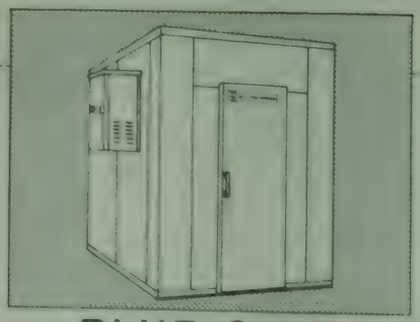
Plus, its polyurethane heat insulating material brings added benefits:

- Less load on the cooling unit.
- Saving in energy costs.
- Longer compressor life.

Storekool is backed by Blue Star's reliable after-sales network of 22 offices all over India.

Blue Star Storekool.

Found in the finest hospitals, hotels, canteens, blood banks, research institutions, sericulture and pharmaceutical industries in India.



BLUE STAR
STOREKOOL
COLD ROOMS

★ BLUE STAR
the hi-technology Company

For more information, please contact Blue Star Limited, Appliances Division: Bombay: Tel.4933101, **New Delhi:** Tel.6432547 **Calcutta:** Tel. 280131 **Madras:** Tel. 472056, **Ahmedabad:** Tel. 403531 **Vadodara:** Tel. 325155 **Pune:** [illegible] **Nagpur:** Tel. 51645 **Bhopal:** Tel. [illegible] **Chandigarh:** Tel. [illegible] **Kanpur:** Tel. 210146-47, **Jaipur:** Tel. 72406 **Lucknow:** Tel. 74661 **Jamshedpur:** Tel. 24649 **Guwahati:** Tel. 31251 **Bhubaneshwar:** Tel. [illegible] **Patna:** Tel. 84287, **Bangalore:** Tel. 57[illegible]68 **Secunderabad:** Tel. 842057 **Cochin:** Tel. 35[illegible] **Visakhapatnam:** Tel. 52-83 **Vijayawada:** Tel. [illegible]

AGRICULTURAL POLICY

Still recycling poverty!

Every time the prime minister dons a new turban, it seems a new political stance is the best way to launch a new policy, for there now seems to be a definite pattern. There is method in the madness, the more uncharitable might even say. Last year was the year of the turban. When Rajiv Gandhi sported a brocade turban at the Congress-I sponsored farmers' meet at Hyderabad earlier last year, it was clear to many that he was soon going to lavish his attention on the nation's farmers, even if farmers do not wear brocade turbans. What followed soon after was a budget which was sought to be sold to the nation as the "farmers' budget", followed by the announcement that support prices for a host of agro-commodities have been raised.

What prompted this government to turn so solicitous towards the kisan was the some what belated recognition that farmers have, of late, turned into a vast and seething constituency organised under increasingly militant and committed leadership. The charismatic leadership of Sharad Joshi in western India and the recent emergence of Mahendra Singh Tikait in UP, coupled with the endorsement of the farmers' demands by V.P. Singh, have together persuaded Rajiv Gandhi to doff his earlier preferred hats.

Not good enough

This is good, even if it is belated and motivated by crass self-preservative urges, for this is how policies are shaped and influenced in democratic societies. What the government has come up with so far to pacify the farmers is not good enough and still betrays a lack of any significant understanding of what constitutes good economics. But still, it is a partial victory for the democratic system.

Narayan Dutt Tiwari's only budget spread the butter thin as it tried to please as many sections as possible; his efforts therefore ended up doing little for anybody. But the regime's propagandists had labelled it as the "farmers' budget", which it is not, and had attempted to sell it as such to the farmers. But, it did not sell. Why?

Tiwari's most significant "concession" was the much publicised 7.5 per cent price reduction on fertilisers; the glut in the fertiliser market at the time had already forced fertiliser companies to offer discounts of up to 20 per cent. What he did in fact was to give fertiliser companies a subsidy of 7.5 per cent so that their balance sheets could appear better, which they did. The government was trying to please the more important constituents, the financiers, but the kisan, made of smarter stuff, had seen through the game and had condemned this attempted hoax.

The argument was that with a good monsoon expected and demand for fertilisers bound to increase, the discounts then being offered would later be abolished and the price reduction passed on to the farmer. That did not happen either.

The reduction in the price of fertiliser worked out to about Rs.7.50 per hectare, the national per hectare consumption being only 36.7 kg. The price reduction of pesticides worked out to only a few paise per hectare. Similarly, the other pro-farmer schemes announced were also of marginal utility. What really exposed the hollowness of the government's claims was the fact that the budget allocated Rs.1,227 crores for the development of New Delhi, against Rs.1,295 crores for the development of agriculture all over the country.

On 4 May last year, Bhajan Lal, the agriculture minister, announced across-the-board raises in the procurement/minimum support prices for paddy, kharif coarse cereals, kharif pulses, kharif oilseeds and raw cotton for 1988-89 season in the Rajya Sabha. Bhajan Lal stated: "I am sure the incentives offered by the government, in terms of substantial increases in procurement/minimum support prices, will enthuse our farmers to achieve the desired increases in productivity and production of both food crops as well as oilseeds and cotton." He ought to have known better than to believe that the increases announced truly constitute an incentive to the farmer, not only to raise productivity but also overall production.

The agricultural policy strives to do two things each year. First, the farmer is exhorted to increase productivity. Second, he is persuaded to shift to crops that are currently in short supply. The question is: do these tricks work?

The agricultural policy strives to do two things each year. First, the farmer is exhorted to increase productivity. Second, he is persuaded to shift to crops that are currently in short supply. The question is: do these tricks work? Apparently not, for the increases in price support can make up for low yields per hectare of pulses and oilseeds only with the help of bio-technological breakthroughs. Keeping in view the actual and forecasted inflation, there is practically no real incentive for the farmer to produce more.

MOHAN GURUSWAMY

The author was educated at Harvard (John F. Kennedy School of Government and the Fletcher School of Law and Diplomacy) and taught international business at Boston's Northeastern University

A million silkworms. To be nurtured for over 10 months. Who can be trusted to do the job?

The Blue Star Storekool Cold Room.

The Blue Star Storekool is playing a vital role in sericulture institutes across the country.

Preserving silkworm eggs with maternal concern. At optimally controlled temperatures so that the hibernation cycle is not disturbed by any external factor.

And helping you produce silk cocoons of the best commercial value.

With the latest design from Viessman, West Germany, Blue Star Storekool is available in 3 models:

PC Series (4°C to 25°C)
PR Series (-5°C to 4°C)
PF Series (-15°C to -10°C)

The Storekool takes less than 6 hours to assemble.

And a modular design helps in easy relocation or expansion at any future date.

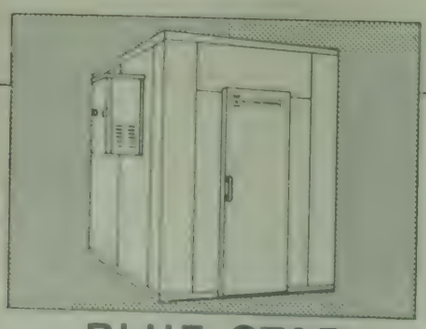
Plus, its polyurethane heat insulating material brings added benefits:

- Less load on the cooling unit.
- Saving in energy costs.
- Longer compressor life.

Storekool is backed by Blue Star's reliable after-sales network of 22 offices all over India.

Blue Star Storekool.

Found in the finest hospitals, hotels, canteens, blood banks, research institutions, sericulture and pharmaceutical industries in India.



BLUE STAR
STOREKOOL
COLD ROOMS

BLUE STAR
the hi-technology Company

For more information, please contact Blue Star Limited, Appliances Division: Bombay: Tel. 4963161, New Delhi: Tel. 643284, Calcutta: Tel. 8[illegible], Madras: Tel. 472056, Ahmedabad: Tel. 403531, Vadodara: Tel. 325135, Pune: 66980, Nagpur: Tel. 31645, Bhopal: Tel. 67380, Chandigarh: Tel. [illegible], Kanpur: Tel. 210464, Jaipur: Tel. 72406, Lucknow: Tel. 74661, Jamshedpur: Tel. 24649, Guwahati: Tel. 31231, Bhubaneshwar: Tel. 55028, Patna: Tel. 54287, Bangalore: Tel. 575668, Secunderabad: Tel. 842057, Cochin: Tel. 352069, Visakhapatnam: Tel. 62783, Vijayawada: Tel. 62784.

CABS-5189

There was a considerable jump in support prices, thanks to V.P. Singh, and his "discovery" that all is not so well with the system, otherwise there would have been little incentive for this government to increase support prices, even if it were, by and large, a meaningless exercise. The Shetkari Sanghatana and other farmers' organisations have been agitating for years for a better deal for the kisan, but to no avail. Only when they began to politicise their movements and allow V.P. Singh to use their platforms did the Rajiv Gandhi government become really alive to the needs of the farmer.

No impact

The support prices announced, as can be expected, are still well below the prevailing market prices. In the case of cotton, the support price was fixed at Rs.600 per quintal while the price that prevailed in the last season was nearly twice that. So the support price hardly influenced the market price. The difference between support prices and market prices are not so large in the case of other commodities, but they are still large enough for the support price to have hardly any impact on the market.

The calculation of support prices is based on self-serving methods that reflect the biases of the regime. For instance, while depreciation is allowed on land, building and machinery for all industries, it is not factored into the cost of agro-produce calculations. Similarly, the labours of the farmer and his family are computed on the basis of abnormally low values.

Though last year's support price increases had jumped considerably over the previous year's meagre and unrealistic prices, they were still arbitrary ad hoc increases and not based on any acceptable scientific basis. So, while it is accepted that the increases have been better than before, one will still say that they are not good enough and that V.P. Singh will still be welcome on the platforms of agitating farmers all over the country! And so it seems that this battle to drill some sense and compassion into this government will go on for some more time.

The real changes sought are outside the ambit of the Commission for Agricultural Costs and Prices (CACP). The agitating farmers are seeking a change in the guiding philosophy that low agricultural prices are essential for growth. They are also signalling that the policy of financing the high cost modern industrial sector by extracting "surpluses", by insisting on a low cost traditional sector, is no longer acceptable to them.

Subsidise food grains

The modern sector must realise that low agricultural prices also mean smaller markets and that significant growth is really dependent on a major expansion of markets. If the needy sections have to be catered to it must be by subsidising their food grain purchases. But making the already poor farmer subsidise an equally poor consumer is to merely recycle poverty. This also means that we must stop importing wheat, sugar and other agro-products in a bid to beat down domestic prices.

The absurd lengths our government goes to do this is illustrated by the fact that in the year before last, cotton was imported at prices ranging between Rs.1,000 and 1,300 per quintal, when the support price was only Rs.550 per quintal. Besides, the massive concessions given to the synthetic fibres and textiles industry only further aggravate the woes of the millions of cotton growers, weavers and workers in the powerloom and mill sector manufacturing cotton textiles. Similarly, the policy of inflicting levies on the sugar industry can only be at the cost of the cane grower.

Except in the case of edible oils, (where the international prices are much lower and there is a wide gap between demand and supply), there is no real case for the imports of any agro-commodities except to keep consumer prices artificially low and the farmer poor. Even in the case of edible oils, a time-bound programme of 5 to 7 years needs to be drawn up to step up production, and make the technological breakthroughs, while simultaneously tapering down imports. This calls for a major and concerted effort.

But most of all, our leaders must realise that growth without equity only works up to a point. After that, it is equity that propels growth. Thus, public investments must begin to correspond with demography. This, of course, implies a realisation that Bharat is still, and for well into the 21st century, will be an agricultural society and therefore its well-being depends on the prosperity of its main occupation — agriculture.

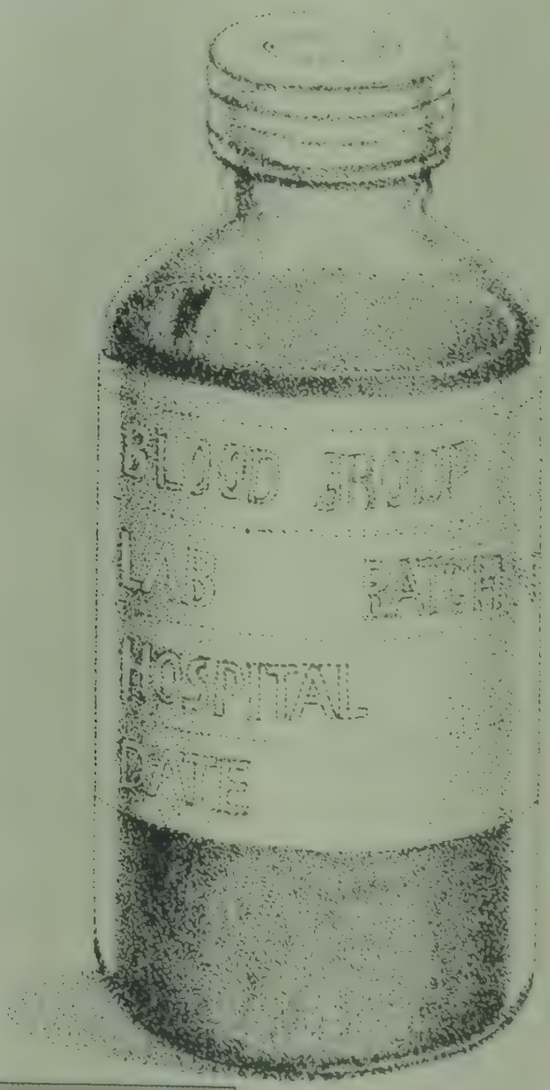
Percentage increase in procurement/ minimum support prices since 1985 and the rate of inflation for the corresponding years.

Crop	1985-86	86-87	87-88	88-89
PADDY	3.6	2.8	2.7	6.7
COARSE GRAINS	0	1.5	2.3	7.4
PULSES	9.0	6.7	1.6	10.0
GROUNDNUT	2.9	5.7	5.4	10.3
SOYABEAN	4.2	2.0	2.0	5.8
COTTON H 777	3.9	1.2	2.3	13.6
COTTON H-4	0	0.9	1.8	9.0
INFLATION	3.8	5.3	9.8	(12.13)*

Source: Economic Survey
*(*projected based on current years projected deficit)*

Life-saving blood.
To be preserved at + 4°C.
Who can be trusted to do the job?

The Blue Star Storekool Cold Room.



BLUE STAR
STOREKOOL
COLD ROOMS

For over 25 years, Storekool has played a vital role in India's finest hospitals and clinics.

Preserving life-saving drugs, blood, vaccines, plasma, at accurately controlled temperatures.

And helping you quietly, to help save a life.

With the latest design from Viessman, West Germany, Blue Star Storekool is available in 3 models:

PC Series (4°C to 25°C)
PR Series (-5°C to 4°C)
PF Series (-15°C to-10°C)

The Storekool takes less than 6 hours to assemble.

And a modular design helps in easy relocation or expansion at any future date.

Plus, its polyurethane heat insulating material brings added benefits:

- Less load on the cooling unit.
- Saving in energy costs.
- Longer compressor life.

Storekool is backed by Blue Star's reliable after-sales network of 22 offices all over India.

Blue Star Storekool.

Found in the finest hospitals, hotels, canteens, blood banks, research institutions, sericulture and pharmaceutical industries in India.

FSA/BSL/M/389

BLUE STAR
the hi-technology Company

For more information, please contact Blue Star Limited, Appliances Division: Bombay: Tel. 4933101, **New Delhi:** Tel. 6432547, **Calcutta:** Tel. 280151, **Madras:** Tel. 472056, **Ahmedabad:** Tel. 403551 **Vadodara:** Tel. 325135, **Pune:** 669830, **Nagpur:** Tel. 51645, **Bhopal:** Tel. 67588 **Chandigarh:** Tel. 40629, **Kanpur:** Tel. 210146-47, **Jaipur:** Tel. 72406, **Lucknow:** Tel. 74661, **Jamshedpur:** Tel. 24647, **Guwahati:** Tel. 31254, **Bhubaneshwar:** Tel. 55028, **Patna:** Tel. 54287, **Bangalore:** Tel. 575668, **Secunderabad:** Tel. 842057, **Cochin:** Tel. 352069, **Visakhapatnam:** Tel. 62785, **Vijayawada:** Tel. 62758

BANKING

"The system cannot defend a contributor"

After giving up the chairmanship of Canara Bank some years before he was due to retire, B. Ratnakar has been for some time in the market for alternate employment. But job hunting has seldom been traumatic for someone of his standing.

He's been refusing some plum private sector offers — having served the public sector for decades, he wants to continue doing just that. But this patriotism has not stood him in good stead. Two posts — chairman STC and MMTC, and banking secretary in the finance ministry — for which his name was recommended, have eluded him. Worse, he has been besmirched by a series of allegations and corruption charges that have appeared in the press.

Although a charge sheet has yet to be filed, press reports have it that a routine CBI enquiry, which precedes any government appointment, has unearthed "incriminating evidence" against the former banker. Despite several attempts, no formal statement could be obtained from the CBI about the exact nature of this evidence.

The Rajmahal Vilas extension bungalow and (inset) Ratnakar: centre of the storm

Property is the focus

Controversy is nothing new for Ratnakar. As the man responsible for increasing many-fold the deposit growth of Canara Bank, and hiking profitability through innovative fund management and aggressive merchant banking activities, Ratnakar had many questioning his means. Though most bankers do feel that he stretched a number of clauses of the Banking Regulation Act beyond recognition, there was no concrete evidence against him.

And now, according to the rumours, the enquiry does not centre round questionable decisions he took in his banking career. This time round, questions are being asked about his personal property. Ratnakar has flats in Delhi, a 560 sq metre plot at Noida near Delhi, and a 4,000 sq feet bungalow in Bangalore's posh Rajmahal Vilas extension. The controversy centres round the bungalow. The questions being asked concern the financing of his bungalow, and the low rent he is being paid for it.

Ratnakar, who suffered a major heart attack recently, is back home but is still under doctors' orders not to leave the house. Speaking to *Business India* on the phone regarding the allegations against him, Ratnakar sounded upset and depressed.

"The managing director of 3M-Birla, W.H. Crivens, upon his arrival in Bangalore, fell in love with the house and insisted that I rent it to him," says Ratnakar. "I decided to charge a rent of Rs.3 lakhs per annum which was 10 per cent of the cost of the land and construction." But Crivens, instead of paying Rs.25,000 a month, wanted to pay a deposit of Rs.15 lakhs and a monthly rent of Rs.7,000. "The logic was that the deposit, if invested in government bonds, would fetch me interest to make up the Rs.3 lakhs per annum that I had asked for," explains Ratnakar.

"I believe the deposit amount is what the CBI is questioning," says Ratnakar. "All other transactions of financing my home have been explained to the government and accounted for to the income tax department," he says.

Investment opportunity

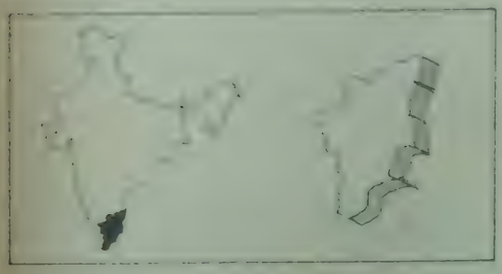
According to Ratnakar, the bungalow stands on land given to him by the Karnataka government in 1982. He took housing loans from Grindlays Bank, State Bank of Hyderabad and advances against rent for one of his flats in Delhi to build the bungalow. To repay the loans he had taken, Ratnakar had decided to sell his 560 sq metres plot of land at Noida, near Delhi. He had bought this land in 1980 at a cost of Rs.172 per sq metre which had escalated to Rs.4,500 per sq metre by 1986. Finally, Ratnakar did not have to sell the Noida land since he was going to get a substantial rent from Crivens.

Another allegation that has surfaced points at even murkier dealings. Since Ratnakar was tipped to be the chairman of STC and MMTC, it is alleged that 3M, a company which deals in metals internationally, hoped to make some kind of an underhand deal with him. The rent, it is said, was to be used as a cover. "But I rented the house to Crivens in February 1988, and it was only in September that I got to hear of my possible STC, MMTC appointment," points out Ratnakar.

Although Ratnakar himself is reluctant to name any person or lobby which may be against him, other bankers spoken to were convinced that this is a bureaucratic witch hunt to prevent Ratnakar from taking on the plum bureaucratic posts.

Ratnakar himself, tired of the allegations, has come to the conclusion that "the system cannot even defend a contributor". The charges against him have yet to be proved. In the meanwhile, he stands stripped of his honour.

■ KEYA SARKAR
with DEVAPRASAD PUROKAYASTHA



TAMIL NADU

The shape of things to come

Karunanidhi: pragmatic approach

Alexander: lavish with concessions?

It's like Reagan running the deficit and Bush having to pay the bills, remarked a well-known economist, commenting on all the tax concessions to trade and industry and interim relief to state government employees that Tamil Nadu governor P.C. Alexander announced during president's rule in the state.

The most serious problem the state is facing today is its grim financial position. Those in the know are sure that the situation became really bad during the year of president's rule. Last year's state budget was inflated and not supported by adequate revenue. It was a no-tax budget, at that time it was estimated that the state resource mobilisation would come to Rs.1,300 crores leaving a gap of Rs.157 crores. And the governor's munificence was a further drain in the state's resources, to the extent of around Rs.150 crores.

No wonder then that, Muthuvel Karunanidhi, the newly elected DMK chief minister of Tamil Nadu, declared soon after he was sworn in, that he had inherited a crown of thorns. The level to which the state's economy has fallen made Karunanidhi comment caustically that president's rule followed the scorched earth policy of the vanquished.

The new CM, in his first few days has been acclaimed widely for his pragmatic approach to problems. His voice has been one of moderation and he has not so far adopted an attitude of confrontation towards the centre. In the governors address to the newly-elected legislative assembly, which is really a reflection of the new governments policy, Alexander said that the plan outlay of Rs.1,457 crores was too high and unattainable, and would have to be reduced.

The shape of things to come was further explained by the statement that economy, efficiency and prudent financial management would be the watchwords of the new government, with the objective of ensuring that every rupee from the exchequer was meant for the welfare of the public. Unnecessary schemes would be scrapped, beneficial projects further improved and new programmes introduced with the accent on efficiency.

However, the new government cannot really go easy on welfare programmes. Under MGR's rule, for more than 10 years the state's people had got used to handouts from the government. This means that Karunanidhi has to do a juggling act between pragmatism and populism. He has said that his government will implement many welfare measures to bring cheer to the deprived and downtrodden, as "We see God in the smile of the poor".

Karunanidhi has to do a juggling act between pragmatism and populism. He has said that his government will implement many welfare measures to bring cheer to the deprived and downtrodden, as "We see God in the smile of the poor"

He has also announced that the state government will not increase the price of rice sold through the public distribution system despite the centre increasing the issue price of rice. This will cost the exchequer at least Rs.40 crores.

However, the new CM has realised that his government will have to find ways to step up both agricultural growth and industrial production to provide more jobs. The government would press for a greater share of central investment in the state to catalyse rapid industrial growth. Sources close to the chief minister say that he is very serious about bringing about a turnaround in the industrial climate of Tamil Nadu. The thrust will be on the chemical industry with the focus on the petrochemicals complex coming up in the Manali belt.

During his earlier rule, the chief minister's rhetoric was supposed to have put off many prospective investors from the rest of the country. But this time round he is keen to dispel such notions and is ready to welcome investment for the state from anybody. Local industrialists are also bound to feel happy to find a receptive chief minister after all these years. Much is expected of Karunanidhi. Says a Madras-based political analyst, "I think we can expect a reasonably good administration from the DMK — good maybe not in the moral sense, but in the political sense — efficient, result-oriented and in control."

■ SUSHILA RAVINDRANATH

"When does small cargo hit the big times?"

"With KLM Worldspeed. You get assured space on any flight, immediate shipment and delivery."

For carg
that's unde
100 kilos, yo
can't beat KLM
Worldspeed.

Because KLM Worldspeed gives you assured space on every KLM flight, with immediat shipment and delivery.

A worldwide network of 133 des ations in 77 countries. And continuous computer monitoring to ke you fully informed.

KLM Worldspeed. Th biggest thing that's happened to small cargo

For more details, contact you cargo agent or call us at New Delhi: 3317474, 3315833, 3324460; Bombay: 221372; Calcutta: 292451; Madras: 8623 Bangalore: 28703; Dhaka: 315(and Kathmandu: 214895.

The Reliable Airline

KLM CARGO

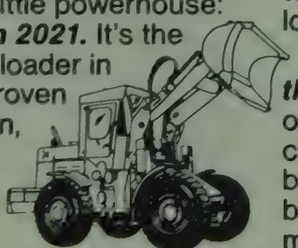
Showing the right track to greater profits.

Hindustan Loaders. A payback period of as little as eight to ten months makes them the most profitable in each class. The reasons? High productivity and reliability because of proven technology.

The moneyspinners

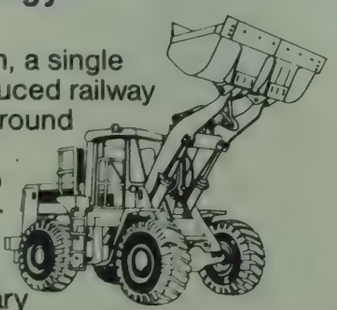
When every minute is money, short cycle times mean added profits. Hindustan Loaders are nimble and light on their feet, to shave off those moments that make all the difference. Meet the cast.

First, the little powerhouse: ***the Hindustan 2021.*** It's the largest selling loader in the country. Proven again and again, it has built businesses.



Hindustan 2021. 1.5 — 3.1 cu.m.

Next, something bigger: ***the Hindustan 966D.*** It's the largest selling wheeled loader in the ***world.*** Of course, it's also one of the most advanced. Its Z-bar linkage gives it a very high breakout force in proportion to power. It also has an excellent Caterpillar powertrain. Digging times are much shorter and it can move with full bucket loads of up to 4.6 cu.m. In one application, a single 966D reduced railway rake turnaround time from 7 hours to 5 hours — despite replacing two ordinary loaders.



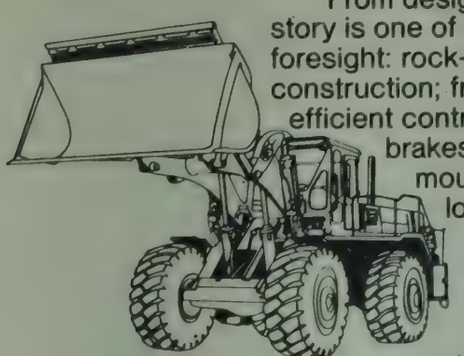
Hindustan 966D. 3.1 — 4.6 cu.m.

The heavyweight follows: ***the Hindustan 2071.*** Under optimum digging conditions it can replace an excavator because of its tremendous breakout force. With its high mobility and low operating costs, it offers a lot more too — making it ideal for overburden removal, limestone quarrying and iron-ore mining.

Finally, there's the quick change artist: ***the IT12.*** It's so versatile it can handle up to 40 tasks like digging, lifting, log-handling, stacking, scraping... changing from one to another within seconds.

Crafted to go on and on...

From design onwards, the story is one of care and foresight: rock-solid construction; frugal engines; efficient controls; fail-safe brakes; lift-cylinders mounted inside the loading tower... the list of features is almost endless.



Hindustan 2071. 5.7 — 8.0 cu.m.

Each element plays a part, however, in making Hindustan Loaders the most reliable and durable in the country.

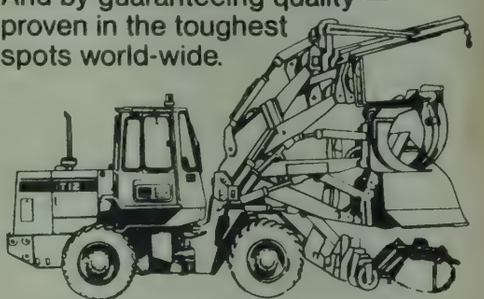
Maintenance couldn't be simpler either. Grouped grease points and easy access to main assemblies speed up service. Customer support is now comprehensive, with better parts availability, service staff, tooling and training. All this goes to **reduce downtime** to an absolute minimum.

A range of equipment

The Hindustan range of earthmoving equipment comprises dumpers, loaders and crawler-tractors. It's a perfect blend of Hindustan Motors' experience and Caterpillar technology.

The sum : profit

Hindustan Motors stretches your investment to the fullest. By offering a range of hard-working, reliable machines. By ensuring low cost operation. And by guaranteeing quality — proven in the toughest spots world-wide.



Hindustan IT12. 1.0 — 1.3 cu.m. and 5 working tools

Get Hindustan. And Profit.

For more information, contact:

HINDUSTAN

Moving into now technology

Hindustan Motors Limited
Earthmoving Equipment Division
P.O. Melnallathur 602 004
Tiruvallur, Tamilnadu.

Marketed & Serviced by :

GMM CO General Marketing & Manufacturing Co. Ltd.
Madras • Bombay • Calcutta • Hyderabad • Nagpur • Goa • Baroda • Bilaspur • Ranchi • Singrauli

TIL TIL Limited
Calcutta • New Delhi • Dhanbad • Asansol • Lucknow • Jaipur • Chandigarh

Caterpillar, Cat and CB are Trademarks of Caterpillar Inc, USA.

MRI

The human machine in 3-D

A 60-year-old man lies quietly on the table. Around him, a machine hums gently, generating a magnetic field 10,000 times as powerful as the earth's. His skull is bombarded by high-frequency radio waves. Outside the room, a doctor looks at a 3-D image of the man's brain. At the punch of a few buttons, the image shifts to a cross-sectional view of the brain. The doctor finds what he is looking for — a tumour, resting at the base of the skull.

No science fiction, this. It's medical science's new breakthrough — magnetic resonance imaging or MRI. The latest buzzword in medical circles, MRI is a highly sophisticated diagnostic tool that can reproduce images of the tissues of the body from any angle.

MRI's usefulness in diagnosis is highlighted by the 60-year-old man's case. With a history of sudden fits and loss of consciousness, he had gone from doctor to doctor, trying to find a cure. X-rays, CT scans, myelograms had all failed to show up the suspected tumour. It was only when he came to the new MRI department in Bombay's Breach Candy Hospital that the tumour was discovered.

Shah (standing foreground): the US experience brought here

Clear advantage

MRI has several advantage over existing diagnostic techniques. It is based on a totally different principle. X-ray images, for instance, do not show tissues which lie under bone cover. MRI, on the other hand, can penetrate the body to any depth. The images are clearer. Also, doctors can view the innards from any angle. The two forces that MRI depends on — magnetic fields and radio waves — are considered to be safer than X-rays and sound waves.

MRI is particularly useful for detecting diseased tissue such as tumours. Another advantage is that it can show up both hard tissues like cartilage and soft tissues without injecting iodine, radio isotopes, or any other contrast material. Thus, arteires and veins can be imaged without an angiogram and the spine can be studied without a myelogram.

The technique works like this: when the body is placed within a strong magnetic field, all the nuclei of the body align themselves with the field. When hit by a radio pulse, the nuclei give out signals which are captured and translated into images. This technique is known as nuclear magnetic resonance but the word "nuclear" evokes many negative reactions, so it was avoided.

Providing a never-before look at the human machine

In India, there are two MRI units functioning already. The first was installed at the Institute for Nuclear Medicine and Allied Sciences (INMAS) at New Delhi, but for research purposes only. The Breach Candy unit was set up by Dr. Viral Shah, a non-resident Indian who after working on MRI for three years in the US felt that the time was right to start a private venture. Sources say that a few more units are being imported for the Sanjay Gandhi Memorial Hospital and the All India Institute of Medical Sciences. Siemens AG of West Germany is a major supplier of the equipment.

An expensive look

Not surprisingly, the technique is an expensive one. The average charge per patient works out to around Rs.4,000. Equipment and operating costs are high. The Siemens unit at Breach Candy costs Rs.3 crores. The main parts of the equipment are the superconducting magnet that generates the magnetic field, the radio pulse generator and detector and the computer that processes the signals and stores the images. The magnet, which has to be cooled to near absolute-zero (−240° C) temperature requires a steady supply of liquid helium and nitrogen to keep the temperature down. The helium, which has to be imported from the US, costs about Rs.12 lakhs a year. Total operating costs are about Rs.30 lakhs a year.

Nevertheless, patients from all over India are coming to Breach Candy for diagnosis. Inside the specially constructed building, the gently humming MRI machine gives doctors a never-before look at the human machine.

■ GAYATRI BHANDARKAR

When you sign on BYN, you're signing on the expertise of 21 top international collaborators.

When your project needs to keep abreast of the latest technology—both in India and overseas, come where you could avail technical expertise gained from the USA, West Germany, Italy, France, Sweden, Austria, Netherlands, Czechoslovakia & Romania.

Bharat Yantra Nigam. A multi-dimensional Group comprising:

Bharat Heavy Plate & Vessels,
Bharat Pumps & Compressors,
Bridge & Roof,
Richardson & Cruddas,
Triveni Structurals and
Tungabhadra Steel Products.

With the combined resources of these six companies, the BYN Group provides you with one-source expertise in a wide spectrum of industries—in terms of design, engineering, fabrication, construction and project management. In industries as diverse as fertilizers, chemicals, petroleum, oil and gas, power, communications & transportation—to name but a few.

Backed by 21 international collaborators, and a vast manpower resource of 15,000 trained personnel—which includes 3,000 qualified engineers, the BYN Group's products and services are recognised by such leading inspection agencies as Lloyds, Bureau Veritas, Sweco, BARC, RDSO, EIL and PDIL.

Whatever be your requirements, the BYN Group is well equipped to meet your multiple needs by way of products, services, sub-systems, systems and turnkey packages from concept to commissioning, tailor-made to specific requirements.

Contact BYN.

BYN (byn)

Bharat Yantra Nigam Limited
15/1 Thornhill Road, Allahabad 211001
Phone: (0532) 4584 Telex: 0540-298 BYNL IN

The one source, multi-resource engineering group

• Bharat Heavy Plate & Vessels Limited, Vishakapatnam • Bharat Pumps & Compressors Limited, Naini, Allahabad • Bridge & Roof Co. (India) Limited, Calcutta • Richardson & Cruddas (1972) Limited, Bombay • Triveni Structurals Limited, Naini, Allahabad • Tungabhadra Steel Products Limited, T.B. Dam, Hospet, Karnataka

Sista's-BYN-87/88-B

JINDAL

Jindal

Steel designs

Stainless Steel adds design to your life. Makes consumer durables and architecture that lasts. Adds art to craft. And what's more. Stainless Steel refines petroleum and makes a material difference to almost any chemical and processing industry you name.

Stainless Steel

Today this exciting metal is 'steeling' a march over conventional materials in a diverse range of applications. Stainless Steel is corrosion resistant and rust proof with excellent formability and ductility. It is lightweight yet strong. It is abrasion resistant, autoclavable and hygienic. Never before has something that looks so good made such good sense!

Jindal: Helping India prove its mettle

And helping pioneer this new world of steel is the Jindal Organization. A dynamic company fast moving upwards. A company that has made India's aspirations its own, dedicated not only to

A range to suit all applications

JINDAL STAINLESS PRODUCTS

Available in Grades of AISI-201, 202, 304, 304L, 316, 316L, 321, 430, 410 and as per customer specifications:

	Thickness	Width	Length
PLATES	4.0-50mm	1000 mm	upto 10 mtrs
HOT ROLLED STRIPS	2.5-4.0mm	450 mm	in Coil Form or Flats
COLD ROLLED SHEETS	0.20-3.0mm	450 mm	in Coil Form
STAINLESS TUBES	Outer Dia Wall thickness Length	: 19-75mm : 0.70-3.0mm : 5-6 mtrs	
COLD ROLLED MILD STEEL SHEETS	Thickness Width Full Hard, Annealed, DD, EDD Quality	: 0.20-2.0mm : 1200mm in Coil Form	

Steel refines

making the country self-sufficient in Stainless Steel but setting standards for the world of steel to follow. Jindal manufactures Stainless Steel right from raw material to the final finished product. There's a steel revolution brewing and Jindal is proud to pioneer it.

Stainless Steel Advisory Centre

For free technical advise on the selection of the right grade of Stainless Steel for your specific application just fill and mail the following coupon.

I want free technical advise on Stainless Steel for the following application _____

Name : _____

Designation : _____

Company : _____

Address : _____

Telephone : _____

Mail this coupon to:

Mr. A.N. Singh,
Stainless Steel Advisory Centre,
Jindal Strips Ltd.,
28, Najafgarh Road, New Delhi-110 015.

JINDAL

• STRIPS LIMITED •

Pioneering the world of steel

We fight...

... for your health

In the fight against cancer, Farmitalia Carlo Erba (FICE) has been in the forefront of R & D efforts worldwide. In its quest for better drugs, FICE achieved a major breakthrough in the 70's with ADRIAMYCIN, an antitumoral which revolutionized cancer drug treatment. Recently, FICE's research efforts have achieved yet another breakthrough with their second generation anthracycline, PHARMORUBICIN.

Research at Farmitalia Carlo Erba is not limited to cancer alone. FICE made an important contribution to the fight against malaria – a disease which made a startlir comeback in the 70's, with over 40 million cases reported in India alone – by pioneering a very effective antimalarial, METAKELFIN. The fight against cancer and malaria, are but two instances of FICE's commitment towards improving the quality of life for patients the world over.

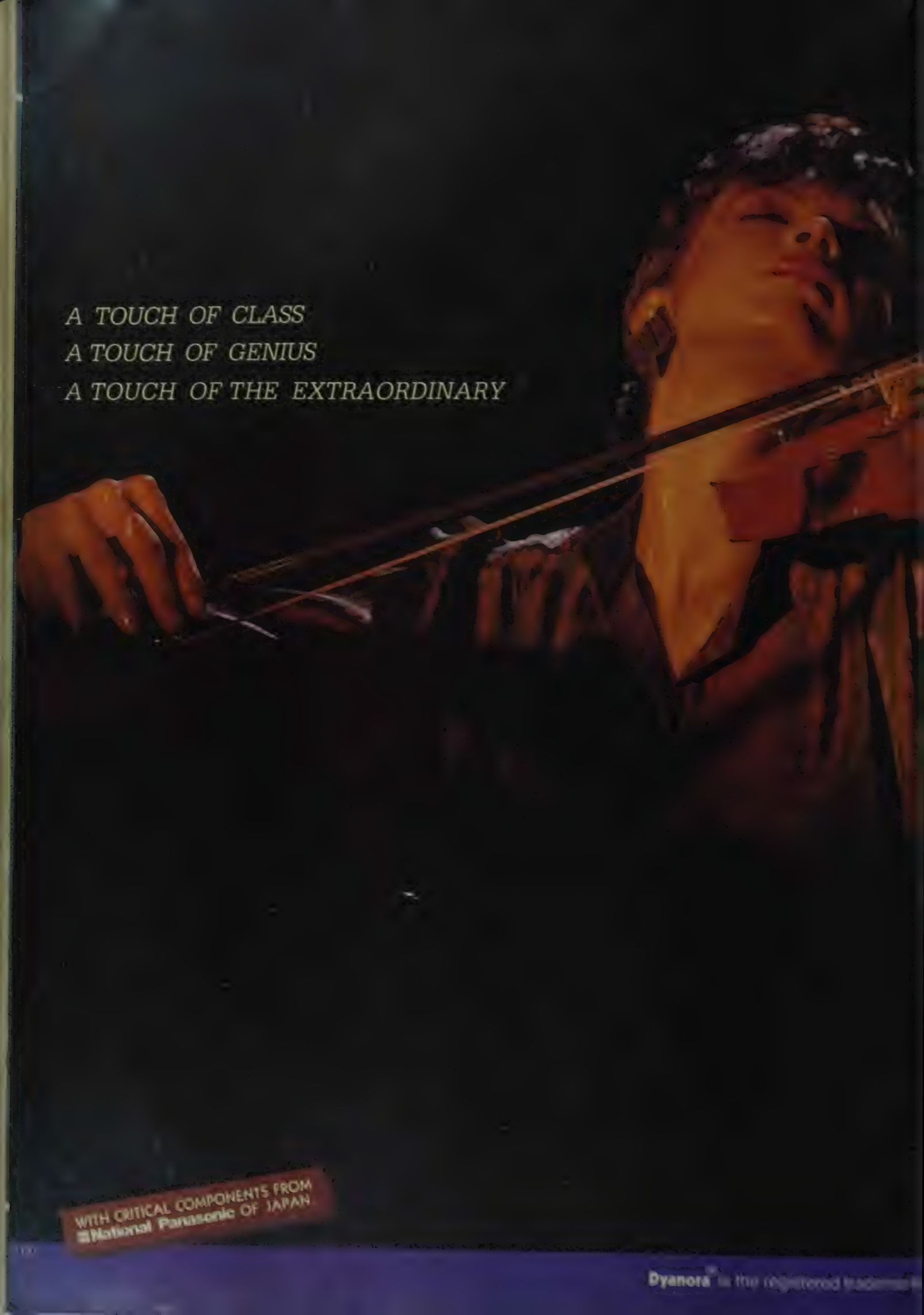
At the three Farmitalia Carlo Erba R & D Centres in Italy, over 1200 researchers are engaged in innovative thinking on the application of scientific knowledge and technology to the special needs of disease and health care worldwide.

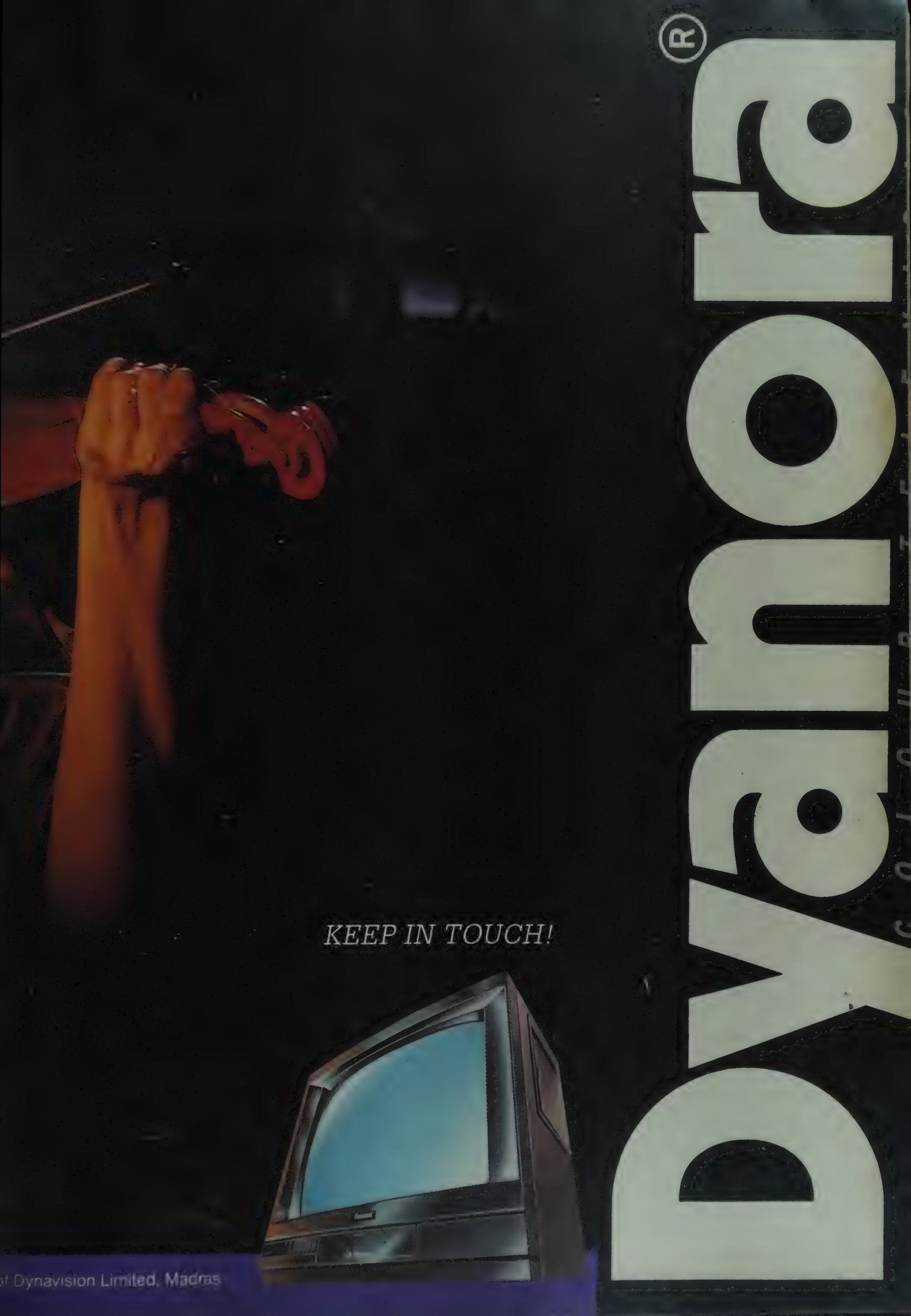
Italy's largest research based pharmaceutical company, belonging to the Montedison-Ferruzzi Group, FICE invests over 14% of sales in research on antitumorals, antibiotics and drugs related to immunology, cardiovascular diseases and the central nervous system.

FICE products are marketed in India under license by Dominion Chemical Industries Pvt. Ltd., an associate of the United Breweries (UB) Group of Companies.

FARMITALIA CARLO ERBA

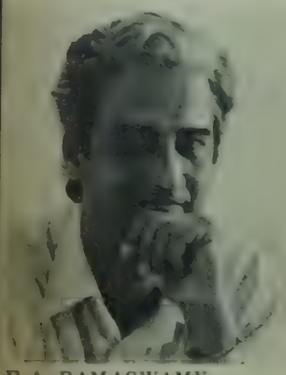
where the need is greatest


A TOUCH OF CLASS
A TOUCH OF GENIUS
A TOUCH OF THE EXTRAORDINARY
WITH CRITICAL COMPONENTS FROM
National Panasonic OF JAPAN
Dyanora



of Dynavision Limited, Madras

Beauty is in the beholder's eye



E.A. RAMASWAMY

It is now nearly four years since I began chancing my arm in *Business India*. My ideas were till then ensconced in books which few outside the scholarly community knew about. A column in a popular magazine reaches out to a much larger number. Honest expression of ideas in such a forum is bound to provoke controversy. On a subject like labour, it is impossible to traverse the straight and narrow path without rocking the boat and ruffling feathers. There is hardly anything that you can say without offending someone. It is only by trivialising that you can be so bland as to hurt nobody. But a column in a popular magazine is also an unmatched sounding board. It tests the veracity of your ideas. The reactions of your audience force you to introspect and take stock of your situation.

The reactions have come mostly from managers, who probably make up the bulk of the readership of the magazine. There have been some reactions from trade unionists as well, but hardly any from the bureaucracy.

People on the top rungs of the labour movement are like politicians without a constituency, deriving their sense of self-worth from official patronage, tripartite fora and trips to Geneva in summer. They are hardly seized with the problems of labour, and there is not much chance of their taking note of critical opinion.

Some takers

However, there is some glimmer of hope. *Shramik Yuddha*, the mouthpiece of Datta Samant's union, has translated two articles. Significantly, neither article is laudatory of the labour movement. They are critical appraisals of the productivity question and outside leadership. The fledgling officers' movement has reacted well to the series of articles on associations.

Most of the managers from industry are accustomed to treating the theories of academics as abstract, unreadable abracadabra. It is, therefore, a matter for great satisfaction that they have not dismissed my ideas as scholarly gibberish. Some critical reactions:

One, that I am distinctly pro-labour, and probably a communist. Not infrequently, I have been asked if I had my origins in the labour movement, which is of course not the case. The view that I am not just pro-labour but anti-management was reinforced by the article on labour aristocracy. That article questions one of the fondest beliefs of managers, which is that industrial workers earn more than they deserve, and that this is the underlying cause of the miseries of their brethren in the unorganised sector. Another reaction along this line is that my articles unfailingly comment on management, its failings, omissions and commissions. I have often been asked why I do not train my guns on labour instead.

The second major criticism is that I merely elucidate problems, but do not suggest solutions. The problems are after all within everyone's knowledge. Should not academic commentators also suggest solutions?

A matter of perception

I will try to respond to these reactions. In a democratic society, it is normal for any group to take advantage of its market position, and even manipulate that market to its benefit, and practically all who have the capacity, do. The sympathy which exalted circles display for the unorganised worker is often feigned. It is nothing but a stick to beat the organised workers with. That working class wages are unduly high is only the perception of the middle class mind, and not necessarily the objective truth.

Where my sympathies lie is equally a matter of perception. Any suggestion that hurts the profits of industry could appear anti-capital to the orthodox manager, and any hint that profits are necessary for the survival of industry could appear anti-labour to the leftist ideologue.

It is of course a fact that I focus a lot more on management than on labour. Having set out as a labour researcher, and only later strayed into management research, I am in fact more familiar with labour. Its house is in shambles. But what good would it do to write about it? Our management is more advantageously placed than labour when it comes to reform. And managers are a lot more open to critical opinion than most of our trade unionists. Anybody who is concerned to sort out the mess that passes for industrial relations has no choice but to address managers.

And that brings me directly to the last question. If I am so concerned about reform, why do I shy away from solutions? I am quite convinced that it is extremely dangerous to suggest solutions in a generalised way, without regard for the subtle nuances of individual situations. Industrial relations simply do not lend themselves to such simple treatment.

Overall, I have the satisfaction of having reached a large number of managers. But, in the process, I have also stepped on many toes and become *persona non grata* in quite a few quarters. I would submit that I am only expressing perceptions and offering insights. I have no claims to the final truth. Our world is so subjective that beauty must continue to lie in the eye of the beholder.

The author is chairman, Administrative Staff College of India

An International Hotel that values guests as individuals.

Ramada Inn Palm Grove, Bombay

Hello, Vivek? Ketan here. Thanks very much for putting me up at the Ramada Inn Palm Grove. I'm at the Health Club right now. Agreed ... the gym's great. So's the pool and the jacuzzi. As for the beach ... it's a natural jogging track.

I went windsurfing this afternoon ... must say this place is great Vivek, really 5-star. Can't believe it's as affordable as you say. Yes, I'm most relaxed and looking forward to the Board Meeting tomorrow.

My room's spacious ... has a sea-view too ... I'm having cocktails in the boss' suite this evening. What's that? I agree ... we must shift the Company account here. We'll save a lot too ...

Ramada Inn Palm Grove
Juhu Beach, Bombay 400 049
Phone: 6149361
Telex: 011-71419 PALM IN
Cable: PALMFRONDS
Fax: 9122-6142105

RAMADA®
INTERNATIONAL HOTELS

— YOU'RE SOMEBODY SPECIAL —

RATAN BATRA/RIPG/ 87C-5 R

"I've swept the Chorus Line off its feet.

Gigi has also run away with me.

The Last Emperor has abdicated himself and his kingdom.

And I've got Amadeus playing out of my hands.

Now there's going to be nonstop entertainment on board.

I'm hosting film festivals.

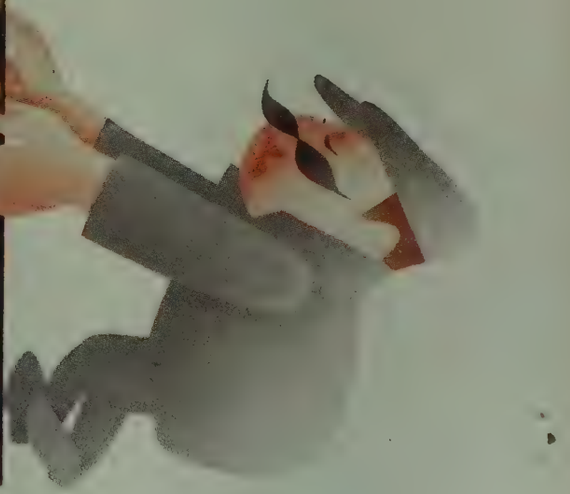
The Great Classics. The Oscar Winners.

The best of Broadway. The best of Spielberg. Kurosawa, Hitchcock.

And the best of Indian masters – Guru Dutt and Bimal Roy.

On my audio channels you'll discover a variety

"Come aboard my showboat."



of entertainers.
Madonna and Springsteen.
Ghulam Ali and Mehdi Hassan.
Zakir Hussain and Chaurasia.
Ella and Ellington.
Beethoven and Bach.

With nonstop entertainment, there's also going to be nonstop excitement.

Lucky seat surprises, and inflight shopping for the nonstop shopper.

Expect the unexpected when you come aboard.

I'm going all out to steal your heart!"

Centre stage now for the world's best entertainers – AIR-INDIA

HTA 2324

What did the Copenhagen Mermaid say to the Skypak Man?

"I know, you keep racing against time. But must you always prefer the sky to the sea?"

We'll deliver. Wherever on earth. SKYPAK The worldwide couriers.

Skypak House, Off M. Vassanji Road, Marol, Andheri (E), Bombay 400 059.

Avenues SK 491 89

LINTAS INDIA

Fifty years of hardsell

No ordinary celebration, Lintas India has planned a 10 month long series of events to commemorate its fiftieth year. Prominent among the events are a retrospective of Lintas Art over 50 years, an international symposium on raising the status of women in India, and a festival of advertising films. Says Alyque Padamsee, chief executive, Lintas India, "we do not just want to pat ourselves on our backs — but see how we can make ourselves a complete communications network in the nineties."

In 1957 when Padamsee joined the organisation, "it had a reputation of being old and woolly with a friendly atmosphere, an associate company of Hindustan Lever Ltd (HLL), and consequently the major chunk of the business came from HLL.

The Lintas HQ: becoming a communications network

Distinguishing factor

Much has changed since. In 1969, with billings just under Rs.2 crores, the company was Indianised, and its name was changed to Lintas India Ltd. "By then we had grown considerably and some of the laid back informality gave way to a more organised working atmosphere," says Padamsee. Today it is this organisational structure that distinguishes the agency from others. The agency has moved away from providing just advertising services to broad-based marketing services. Says Rajesh Pant, associate director and general manager, "The sense of restlessness in us compels this growth."

One aspect of Lintas' growth has been a conscious move away from being a Lever dominated agency to an agency that has as many as 80 clients. From billings of Rs.5 crores in 1980, Lintas closed last year with billings of Rs.76 crores. This expansion has led to Lever accounting for less than half of Lintas' billings (1987: 42.5 per cent). In the last two years, Lintas has picked up clients as diverse as Modern Suitings and Spartek and Canon. Says Prem Mehta, director — Bombay operations, production and personnel, "In 1988 our new business gains account for approximately Rs.11 crores and include eight new clients."

The launch of Karishma, a subsidiary agency in early 1986 and the revival of Pathfinders, the 10-year-old market research wing of Lintas, have been the other milestones. Until recently, Pathfinders was considered a laggard in the business. Pranesh Mishra was brought in from the Calcutta office and has been doing pioneering work in what is known as Brandfinders. He explains, "it is essentially a new product development cell where a creative team and a research team sit together and develop new product ideas. Initiated a year ago, Brandfinders has not yet been aggressively marketed, but Mishra sees tremendous potential in it.

Two areas where Lintas has distinguished itself is in applying the concept of management by objectives (MBO) and developing a service called Market Links.

Start-up businesses

Pradeep Kakkar, director — Lintas: Calcutta and director — market services and media, joined Lintas in November 1987 and set up Market Links. A separate division of Lintas, Market Links, has five thrust areas — marketing planning, management information services (MIS), tactical market support, direct marketing and market modelling. "A number of start-up businesses have seen tremendous growth. There is a need to start managing this growth by setting up support systems. At Market Links we provide this service," says Kakkar.

Sumit Roy, corporate planning manager, explains the advantages of MBO "All managers have a clear sense of what they must achieve — over and above their role definitions. And more importantly, it has led to the advertising looking more involved and being more creative."

However, industry observers feel that the over-emphasis on structure has led to a stifling of creative initiative in the agency. Kersy Katrak, a veteran professional who has spent 30 years in the industry and is now the executive creative director at Lintas, says, "Any agency this size would collapse into a mass of gelatine in five minutes if the structure did not exist."

Yet with all this hard-nosed professionalism and striving for perfection, has Lintas lost some of its personal touch? Says Nina Verma, creative director, "The company has grown, so obviously it has lost some of its intimacy. But it is not a cold, dog- eat-dog scenario — there is still a lot of warmth, particularly amongst the creative people."

Here is one example of the warmth and sense of one big family: 400 strong. Once a month the agency gets together for a rap session, usually chaired by Padamsee where wide ranging issues are discussed — from presentations on new product launches to the birth of a child to an employee. And what is it called? Breaking bread with God at a prayer meeting!

■ SHIV TANEJA

MARKET RESEARCH

Using a finer sieve

Consumer marketing in India has so far been based almost entirely on narrow demographic descriptions of consumers. Target markets are described and quantified primarily on the criterion of income, with a few variables like age, sex or product usership thrown in. Consequently, market research studies and data bases about consumers are designed to provide information on what consumers belonging to various income groups think, feel, use or do. And descriptions of these groups were gloriously vague: "housewives aged 18-45", or "men from households with incomes between Rs.1,000 and 2,000 and who do not have beards".

Now, with the sociological changes taking place in the country and the plethora of new products and brands available, rough and hazy profiles of groups just won't do.

Soul mate or hussy

All housewives belonging to "upper income homes" are not equally likely to buy melamine crockery or convenience foods. The bright young girl running on the beach, in an ad film, may be a soul mate to one prospective consumer and a wanton hussy to another — despite their belonging to similar income and age groups. Evidently, though the old faithful variable of income can delineate those who are not potential buyers for the marketer, it cannot really identify who is a potential consumer.

Moreover, a recent survey shows that 16 to 18 per cent of all respondents interviewed for a study had to be excluded because they refused to disclose their income. Amongst car and colour TV owners, the figures were as high as 32 and 26 per cent, respectively. And, as Ashutosh Sinha from the Indian Market Research (IMRB), points out, "We know that there is a widespread tendency among respondents, particularly those from the business class, to understate incomes." Besides, can a Rs.1,500 per month earner in Bombay afford the same basket of goods as a similar earner in Tirunelveli?

Perceiving increasing dissatisfaction with and doubts about an income-driven system of demographic segmentation, the newly-formed Market Research Society of India (MRSI) decided to look for viable, complex alternatives. A project team consisting of a handful of research agencies and a few large users of market research began work in mid-1987, with the IMRB as the prime mover.

The most reasonable and feasible alternative system was thought to be one based on social class (of which income could be just one indicator). Social class or socio-economic systems for classifying and segmenting consumers are extensively used in the western world. In the UK, a six point classification system has been devised, based entirely on the specific occupation of the head of the household. In Australia, the consumer classification system is based on locations and appearance and size of home/grounds. The Germans have a more rigorous system — a scale ranging from 40 to 112 points using education, occupation, income and interviewer judgement.

Team's task

The project team's task was to construct the best system for the Indian context. The study covered a metro and a small town in each of the four geographic zones, and a total number of 5,000 households were interviewed.

Information was collected on a range of demographic variables (household and individual family members). These included the type of housing, use of products, life style indicators like mode of transport to work, mode of travel on holidays, and even medium of instruction for children at school.

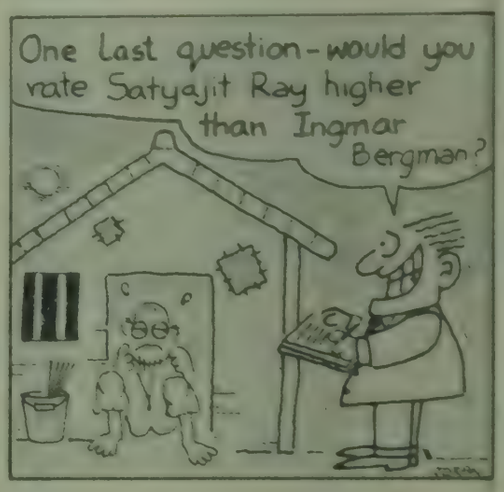
From this enormous load of data, a set of variables had to be identified, around which a new "socio-economic classification" system could be built.

The best system would be one which had the ability to discriminate between users and non-users (hence potential users and non-users) of a wide range of products and services; one that would be easy to operate (how many questions does one need to ask a person before identifying his/her social class? Is it simple enough to elicit responses from housewives?); and one that would be stable over time.

After some preliminary analysis, a set of variables were shortlisted — these would make for a meaningful, "judgemental" rating of the social class of the respondent. The variables which emerged were: chief wage earner's education, housewife's education, durables ownership level, and household income.

Several candidate systems emerged. They were based on:

- per capita income (instead of mere total monthly family income);
- household expenditure;
- occupation of the chief wage earner of the household;
- occupation plus durables owned in the household;



- occupation and education of the chief wage earner;
- and occupation of the chief wage earner and education of the housewife.

The systems were evaluated to see which of them best discriminates on factors such as lifestyle, household facilities, ownership of durables and usership of a select range of consumer soft goods.

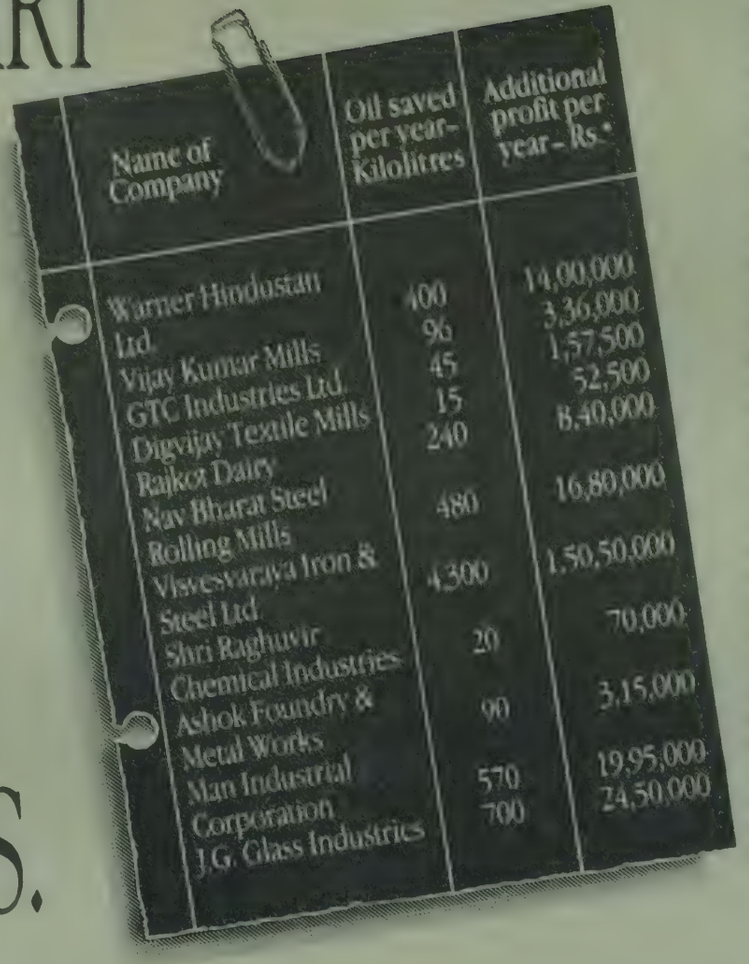
After various complex analyses, the clear winner was the system based on the occupation and education of the chief wage earner.

According to this, the "highest" social class will comprise senior executives officers who are graduates and above and junior executives who are professionally qualified, self-employed professionals and professionally qualified businessmen with their own business. The "lowest" social class would consist of unskilled workers and skilled workers but with schooling up to the fouth standard only, and illiterate petty traders.

With this, the IMRB-led project team of the MRSI has indeed broken new ground. All data bases will henceforth have to be rebuilt using this new system. And, for marketing in India, it clearly marks a step in a new direction.

■ RAMA BIJAPURKAR

IF THIS DOESN'T MAKE YOU START SAVING OIL, YOU'RE PROBABLY NOT IN BUSINESS FOR PROFITS.



Name of Company	Oil saved per year – Kilolitres	Additional profit per year – Rs.*
Warner Hindustan Ltd.	400	14,00,000
Vijay Kumar Mills	96	3,36,000
GTC Industries Ltd.	45	1,57,500
Digvijay Textile Mills	15	52,500
Rajkot Dairy	240	8,40,000
Nav Bharat Steel Rolling Mills	480	16,80,000
Visvesvaraya Iron & Steel Ltd.	4,300	1,50,50,000
Shri Raghuvir Chemical Industries	20	70,000
Ashok Foundry & Metal Works	90	3,15,000
Man Industrial Corporation	570	19,95,000
J.G. Glass Industries	700	24,50,000

You are looking at the names of a few pioneers in the industry who are confronting the problem of oil wastage and taking steps to alleviate it.

And more importantly, saving themselves lakhs of rupees every year to add to their profit curves.

But what is surprising is that these thinking individuals are only a handful. Even in today's situation of acute oil crisis.

Surprising, considering that saving oil does not necessarily involve using only expensive, sophisticated equipment or changing plant machinery. Rather, it involves a simple change of attitude towards the problem.

Because once you decide to act on the problem, the rest becomes easy.

PCRA has already helped over 1750 industries, identified wastage areas and provided complete recommendation packages for increasing efficiency. For free.

These industries will testify that in most cases, the recommendations consist of simple measures to be implemented by you and your work force. Simple measures carried out with a new awareness. And a commitment towards the cause of saving that drop of oil.

So if yours is an industry that has already consulted PCRA, now is the time to act

And if you haven't yet talked to PCRA, now is the time to pick up the phone or mail the coupon below

After all, the profitability of your company is in your hands. And considering the high oil prices, it's about time you changed your attitude towards the problem After all you are in business for profits, aren't you?

I am keen to know about fuel oil saving in Industry

☐ Please send me your free literature

☐ Please depute your representative to visit our plant

Annual fuel oil consumption _____

Major fuel consuming equipment with capacity _____

_____

Name _____

Address _____

_____

B.I.

** At an average rate of Rs. 3,500/- per Kilolitre*

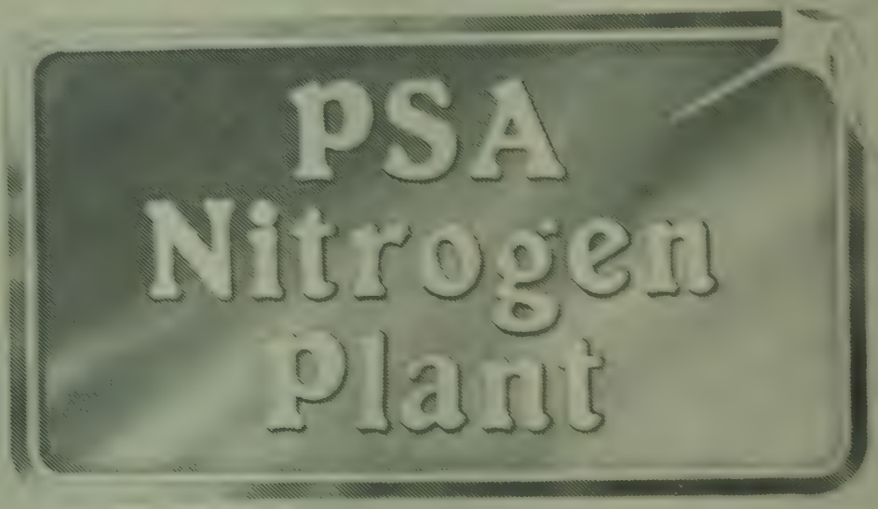
Petroleum Conservation Research Association

603, New Delhi House
27, Barakhamba Road,
New Delhi-110 001
Tel : 3315868

FUEL SAVED IS PROFITS MADE.

everest/d88/PCRA/275

What makes **Indcon Polymech** the largest selling Company for



- A proven track record of 105 Nitrogen Plants sold
- Nitrogen purity achieved upto 99.999%
- Knowhow from BERGBAU–FORSCHUNG, W. Germany.
- Low operating cost–Rs. 2 - per cu.M.
- A large inventory of components for short deliveries

Proven professionalism, coupled with German knowhow
Leadership from the front, which is reflected in Indcon's pioneering effort in erecting two of Asia's largest 750 NM^3/hr P.S.A. Nitrogen Plants.

An unmatched client rapport that ensures smooth after sales service, and an unbeatable expertise resulting from being the largest manufacturers of P.S.A. Nitrogen Plants in India (Fourth largest in the world).

After all practice does make perfect.

Only the best sells the most

INDCON

INDCON POLYMECH LTD.

311 Mansarovar, 90 Nehru Place New Delhi-110019 Phones 643 1908 6438365 6436869 Telex 031 61678

Branches: Calcutta • Bombay • Madras • Hyderabad • Bangalore • Baroda

Of horses and wines

The KWITC auction ring on race days

[illegible] if it wasn't exactly heartbreaking the [illegible] horse auction at Bombay's Mahalaxmi race course last fortnight [illegible] it to be a beauty affair. Horses, the wine-sellers from Goa, had made the Royal Western India Turf Club (RWITC) an offer it couldn't refuse — they would serve free wine in return for permission to put up the company's banners on the fences surrounding the paddock. Nearly 1,000 of the city's assorted rich and even some who'd flown in from outside, [illegible] enjoyed wine while looking for the services of 500 fillies and colts. The stock had been specially brought down from stud farms around the country for the prestigious event.

Breeding, it appears, has finally paid off after a year-long slump. With the central Sarkar government's decision to ban [illegible] in Madras four years ago, horse [illegible] had come down to a mere trickle. [illegible], a leading Haryana stud owner and a prominent member of RWITC's managing committee, "Suddenly the market for [illegible] horses was wiped out. There was no [illegible] premium and two bottle de-[illegible] concession was the net result."

Buyers market

[illegible]'s ruling in Tamil Nadu last year [illegible] as a setback for India's thoroughbred industry. Racing was once again organised in Madras and the club there mopped up the [illegible] management of 300 to 400 horses immediately. The buoyancy in the market has [illegible] excellent response at the auction. That year, TTC horses were sold for [illegible] as against Rs 41 lakh last year. As many as 150 entered the auction ring and [illegible] under the gavel — as compared to [illegible] only 70 were sold last year. More importantly, the average sale price was [illegible] as against Rs 55,000.

[illegible] the auction, most horse [illegible]

[illegible] are conditioned through [illegible] years. Often, a horse is [illegible] a [illegible] to [illegible] till he has [illegible] stamina. Experts know it is up for sale [illegible] when owners start appearing at the [illegible] and work out a deal which saves the [illegible] of going through the auction [illegible] guaranteed an open sale favours [illegible] the auction advantage. At auctions [illegible] are only made by [illegible] while [illegible] [illegible] is known to [illegible] certain cash element. Thus [illegible] have big time owners prefer to buy their [illegible] privately.

The highest price paid for a horse this year was Rs 5.1 lakhs, by [illegible] K.N. Alford from Calcutta. However, sales prices are higher in private deals. For example, a three-fourth sister to a prize horse was recently sold for a record Rs 24 lakhs by a Bombay businessman [illegible] member Laxman Hiranandani. "A good horse can earn upto Rs 20 lakhs in about two years. So, it would command a selling price of atleast Rs 10 to Rs 15 lakhs."

In the effort to get more people to bid in the ring, the RWITC, as an experiment this year, imposed entry taxes to bypass owners of private races. Only those who buy horses in the auction are now allowed to avail of the free facility. Horses are given to trade interest rates and have to be stayed in free stud maintenance upto [illegible] years. Last year horses worth Rs 80 lakhs were given off which only Rs 7 lakhs was paid. So they seem to [illegible] this year the figure is expected to be around Rs 20 lakhs.

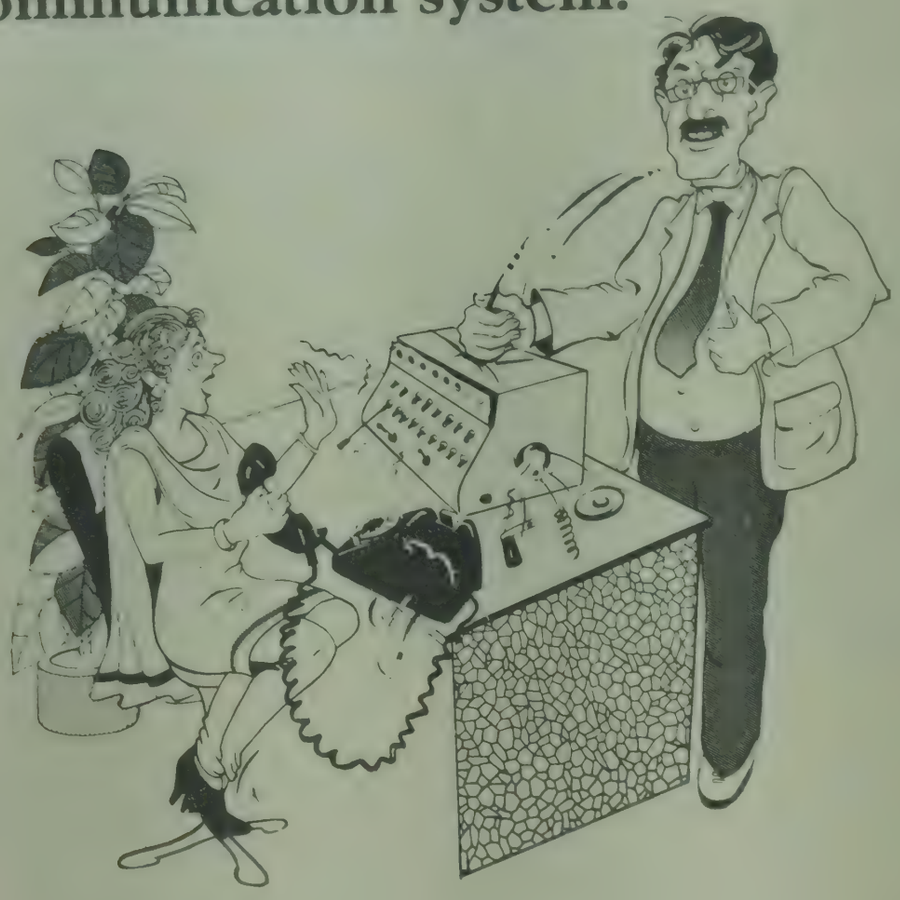
[illegible] feels that there is a lot more [illegible] prizes are not [illegible] a public [illegible] However, Ramdas Kamat, [illegible] in the administration racing circuit, [illegible] Indian Thoroughbred Company. "The number of people interested in [illegible] is [illegible] going up."

[illegible] Singh and Kamat however [illegible] on one point: enthusiasm among the [illegible] public is definitely on the decline, and it is only the racing clubs who are to blame, says Kamat. "They are making no attempt to attract the average punter for whom no facilities exist. As a result, the attendance has dropped drastically in the last few years." Bombay Turf Club's attendance at the Mahalaxmi course has fallen from 15,000 in the seventies to less than 10,000 now.

Many believe that it is only the increasing corporate sponsorship that is keeping this sport alive. Vijay Mallya started the trend in the early eighties and other liquor and cigarette companies, like Shaw Wallace, Vazir Sultan and ITC, have helped sustain it. This corporate interest has also substantially increased the value of the prize money awarded to winners. The Indian Derby stakes have been upped from Rs 3.5 lakhs to Rs 8 lakhs. Prizes at the Bangalore Derby have gone up from Rs 2 lakhs to Rs 5.5 lakhs. And more recently, Vijay Mallya's United Breweries has contracted to sponsor upto six races annually and will be spending Rs 2 crores in the next five years.

With such money coming in, and if the [illegible] in the field for the sport should begin to [illegible]

The M.D. took a wise decision. He didn't sack the operator. He just changed the communication system.



When the M.D. stormed in one day and made Sunita throw away the PBX switchboard system, he had good reason to do so.

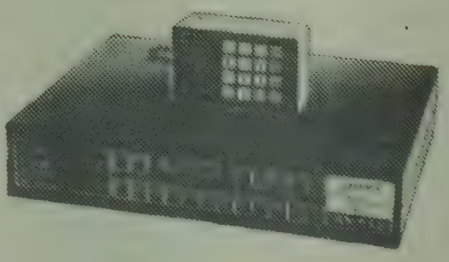
Breakdowns, wrong numbers, cross connection. And endless switching on and off of a stiff old board. No wonder, the M.D. decided to get rid of the old faithful.

Now Sunita is a smooth operator on her **Usha Compu-Tel EPABX System,** a highly versatile solid state microprocessor based system to handle all kinds of communication situations.

Over 300 leading names in the corporate world are Compu-Tel users.
Our Patron's Partial List : Swedish Embassy, Rajdoot Hotel, Vikram Hotel, American Express, Batliboi & Co., K.G. Khosla Compressors, Metro Tyres, Times of India, Modi Rubber, Mohinder Hospital, Dalmia Resorts, Orissa Cement, Weston Electroniks, Universal Computers, Harig India, Mejestic Apparel, Gujarat Heavy Chemicals, Banque Paribas .....

Features — you name it and its got it !

Plus a wide range to choose from :
UE-115-From 4 P&T lines & 24 internal lines to 15 P&T lines & 96 internal lines.
UE-512-From 2 P&T lines & 12 internal lines to 5 P&T lines & 12 internal lines.



Usha-Compu-Tel EPABX System.

The M.D.'s choice

Usha Electronics
Plaza Cinema Bldg., 1st Floor, Connaught Place, New Delhi-110001. Ph : 3320417/3321337/3321784.

Branch Office : **Usha Electronics,** C-267, Nirala Nagar, Lucknow. Ph : 72108.

Authorised Sales Agents : **Kohli Brothers,** 3, Wood Street (2nd Floor), Calcutta 700016. Ph : 43-3610, 43-4862, 44-9845. **R.K. Enterprises,** 19th Floor, Flat 6, Chatterjee International Centre, 33A, J.N. Road, Calcutta 700071. Ph : 29-2815, 29-1361. **Kishan Enterprises,** 1-2-593/2, Domal Guda, Hyderabad 500029 (A.P.). Ph : 60408. **Weigh Systems,** 106-D, Kitchlu Nagar, Ludhiana. Ph : 33714. **Creative Business Techniques,** 155, Ramdaspeth, Nagpur-440010. Ph : 25827.

ARMS

Counterbid by Plessey

Siemens eyeing Plessey

The bitter fight by GEC and Siemens to take over Plessey has taken an unpredicted turn. Plessey is spearheading a consortium which is planning to make a bid to take over GEC. The financing of the consortium is being organised by Barclays Bank and Lazards. Members of the consortium are expected to include Plessey, Thomson and possibly also STC and AT&T.

UNILEVER

Shot at Elizabeth Arden

The consumer goods giant Unilever is negotiating to buy part of the cosmetic interests of Faberge. The purchase of the assets under negotiation include Elizabeth Arden, Chloe and Brut perfumes and cosmetics. The purchase will considerably enhance the presence of Unilever in cosmetics, which recently bought up the US based Chesebrough Ponds Co.

Fighting Disney

The Shamrock Investment Company controlled by the late Walt Disney's beneficiaries is locked in a legal battle with instant camera manufacturer Polaroid over Shamrock's $ 2.9 billion bid to take over Polaroid. The camera company is seeking to thwart the bid by issuing a big block of its shares to its own employees who are expected to vote favourably for the existing management. This share issue is being disputed by Shamrock in the Delaware Supreme Court.

R.J.R. NABISCO

Bank funding for KKR

The Wall Street takeover specialist company, Kohlberg, Kravis and Roberts, has arranged bank loans of $ 14 billion to fund the largest ever takeover — KKR's $ 25 billion purchase of the cigarette and food group, R.J.R. Nabisco. A total of 17 Japanese banks, including Sanwa, Fuji, Dai Ichi Kangyo, Mitsubishi and Sumitomo will provide 43 per cent of the total bank loans. Another 15 American banks including Chase Manhattan, Manufacturers Hanover, and Citibank will provide 34 per cent. Besides the bank loans, KKR is raising bridge loans from US security companies and also selling securities of $ 3 billion.

BANK OF AMERICA

Dramatic recovery

The troubled San Francisco based banking giant, Bank of America, has achieved a dramatic turnaround, announcing record profits for the fourth quarter of 1988. The profits were boosted by realisation of two years' overdue interest on Brazilian loans. The total profits for 1988 amounted to $ 726 million and the total assets as at the end of 1988 were $ 95 billion.

BankAm HQ in San Francisco: high spirit

MIDLAND BANK

Pioneering step

Midland Bank of UK has taken a pioneering step in buying up 34 per cent of the equity of Lanvin, the leading French fashion and perfume company. While French banks like Paribas and Indo Suez have large investment stakes in a variety of businesses, it is extremely rare for a British clearing bank to do so. The balance of Lanvin's shares remain with the founding family headed by 87 year old Yves Lanvin.

NATIONAL PANASONIC

$ 16 million refund

National Panasonic, the American subsidiary of Matsushita Electronic of Japan, has agreed to refund $ 16 million to its American customers. The New York State attorney general had alleged that the company had cheated consumers of this amount in a price fixing scheme. The company denied any wrong doing but agreed to make the refunds to avoid any harm to its dealers and its business.

BANK INDO SUEZ

Mutual fund

Bank Indo Suez is launching a $ 35 million Malacca mutual fund on the London Stock Exchange. The fund will invest in Malaysian and Indonesian equities. Currently the Indonesian market has only 24 listed companies, but the government has recently put through reforms aimed at increasing the number of listed companies, and also attracting international investors.

INDUSTRIAL BANK OF JAPAN

Membership of LSE

Industrial Bank of Japan has become a member of the London Stock Exchange through its UK subsidiary IBJ International. It is the first Japanese bank to enter the equity market though a number of security companies like Namura have already taken stock exchange membership. Japanese law prohibits clearing banks from entering securities business but this does not apply to securities business outside Japan.

■ ABHIJIT SEN

To demonstrate the versatility of the Z-75 heavy-duty vacuum cleaner, we'll drop a few names...

GODREJ, HONGKONG BANK, MAFATLAL, OBEROIS, PFIZER.

Read on to see why they're so satisfied with the Z-75...

VERSATILE

The Z-75 comes with a wide range of accessories that enable it to totally clean everything, from floor to ceiling: all kinds of floors, carpets, computers & computer peripherals, sophisticated electrical and electronic equipment, etc.

POWERFUL AND HEAVY-DUTY

Two motors and high vacuum pressure make the Z-75 powerful. Since it is heavy-duty it can be used where long periods of operation are required.

COMPACT

It's a compact, heavy-duty vacuum cleaner, with a unique, self-contained accessory pocket (for flex cord and accessories). And, it has a large volume dust bag – with a capacity of 10 litres. A strong handle, the low body weight and sturdy castors make it portable and manoeuverable. So, it's ideal for cramped spaces.

UNIQUE

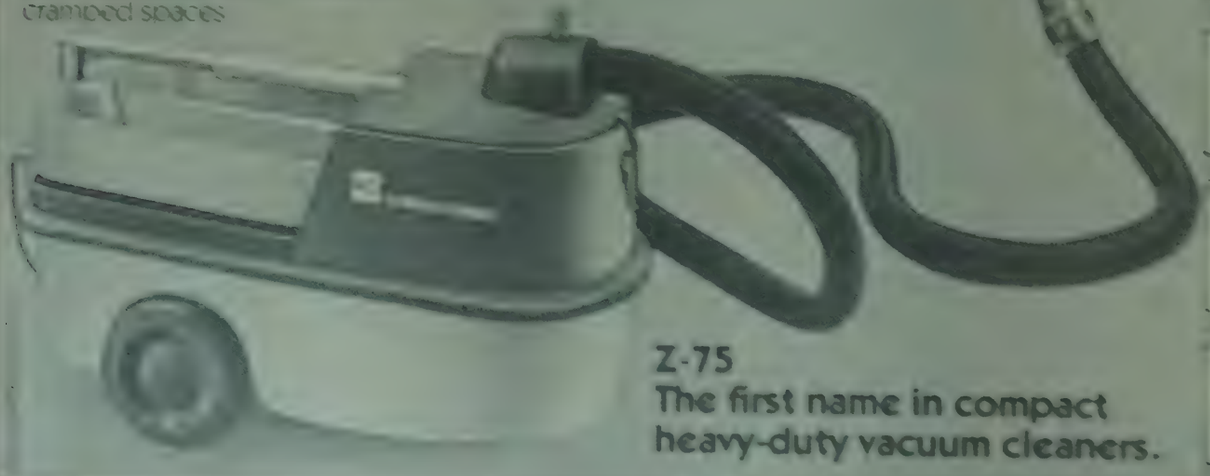
The unique feature of the Z-75 is the Blower End. When the spray bottle

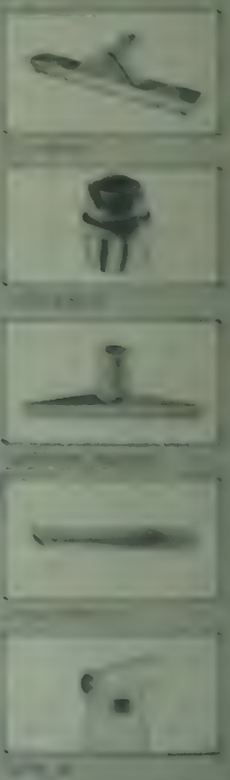
over 40 service centres all over India

EUREKA FORBES LTD.

Industrial Products Division

Fort, Bombay 400 001





Z-75
The first name in compact heavy-duty vacuum cleaners.

A special section
on global affairs prepared for
Business India

World Paper

NEW BARRIER REEFS

Free trade aground?

By Barber Conable
President, World Bank

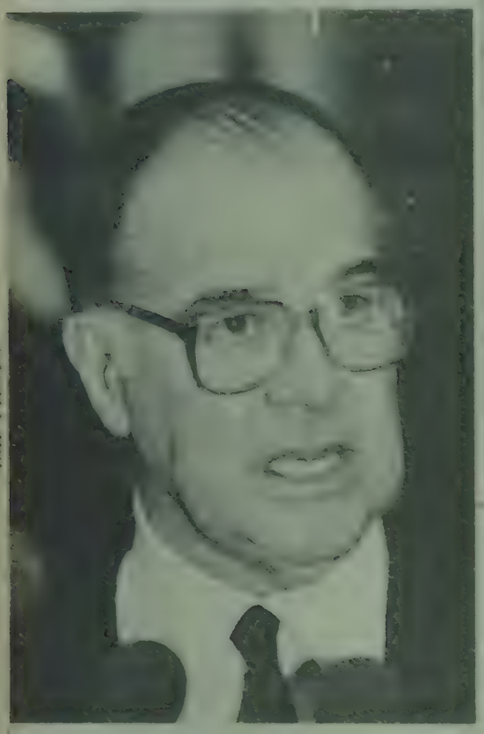
THE WORLD faces an evolving crisis of steadily increasing trade protectionism that is only temporarily disguised by the encouraging current growth in global trade. Failure to maintain open, multilaterally agreed trade could threaten the growth of rich and poor nations, the poor more than the rich. Trade liberalization is vital. As Helmut Schmidt observed: "Markets are like parachutes. They only function when open."

Continued on next page

The trade barrier crisis

Continued from previous page

The pattern of world trade is disturbing. Both Africa and Latin America lag when they need to accelerate. In 1950, Latin American exports were one-eighth the world's exports. They were just over one-twentieth in 1985. All of Sub-Saharan Africa's exports in 1987 were far less than those of Korea or Hong Kong.



IMF PHOTO

A warning from Barber Conoble that trade barriers hurt the poor.

Well over half of the manufactured exports of developing countries go to the United States. But the United States, now that it's the world's largest debtor, is adjusting its trade balance by slowing the growth of US imports, a policy that could particularly affect the highly indebted Latin American countries.

The growth of trade barriers is disturbing. Although tariffs worldwide have fallen sharply since 1948, those affecting developing countries are not that low. Almost one-fifth of US and European Community tariffs of manufactured products exceed 10 percent and most of them affect clothing, textiles and footwear, items on which developing countries have a strong comparative advantage.

Other barriers have risen. The trade affected by non-tariff barriers has almost doubled over the past 20 years. Since the early 1960's, subsidies, particularly those for agriculture, have doubled or tripled as a percent of most Western countries' gross domestic product.

Countries are granting trade preferences increasingly in a discriminatory manner to neighbors or to some developing countries or in only some products. Massive discrimination in bilateral and other preferential arrangements is on the rise. Although the United States, Japan and the European Community once encouraged open, multilateral trading, that vision has changed.

Italian and British agreements with former colonies favor banana growers in Somalia and the Caribbean, respectively, over those in Central America.

Obstacles rising against free trade

Percentage of major imports covered by non-tariff barriers in selected countries

	Food		Manufactures		Agricultural raw materials		All commodities	
	1965	*1986*	*1965*	*1986*	*1965*	*1986*	*1965*	*1986*
All countries	36%	89%	5%	51%	2%	51%	17%	54%
EEC (total)	38	96	2	56	2	51	15	58
Belgium-Luxembourg	40	96	3	58	3	49	19	61
Denmark	45	96	1	52	3	43	11	54
France	46	98	3	64	6	55	17	66
West Germany	46	96	4	58	3	50	16	60
Greece	na	94	na	48	na	36	na	49
Ireland	na	91	1	45	na	33	na	47
Italy	39	98	2	62	—	53	13	62
Netherlands	33	94	3	56	—	58	19	59
UK	19	94	3	47	2	48	10	52
Japan	51	99	11	41	2	69	34	50
US	17	57	27	59	5	46	27	57

Source: The World Bank's International Economics Department

FREE TRADE FUTURE

As a result of the Australia-New Zealand Free Trade Agreement, Filipino wood products face higher barriers in Australia than those from New Zealand.

Trade protectionism has gained growing respectability. Most countries defend free trade as a concept; no one admits to being protectionist. But the shift to "fairer" trade has led to increasingly complex schemes that restrict trade, often in ways difficult to understand. The prime example is voluntary export retraints, which are negotiated in private, without legislation. Reported US and EEC restraints —and not all are reported—have almost doubled during the 1980's.

Protectionism has devastated developing countries. Since the United States reimposed and tightened sugar quotas after 1981, the Caribbean islands have lost three-quarters—$250 million worth—of their annual sugar exports to the United States. The Dominican Republic, one of the world's lowest cost sugar producers, has closed mills.

Argentina and Uruguay, among the world's lowest cost exporters of wheat and beef, have seen their share of the world market drop to 3 percent from 11 percent in the past 15 years while the EEC has become the world's largest exporter.

Fourteen of the 17 highly indebted, middle-income countries have reformed trade policy since the 1982-83 crisis to improve their economic efficiency. But creditor countries have tightened market barriers. The United States imposed anti-dumping actions in 1987 on carnations from Mexico, Costa Rica, Ecuador and Chile, a total trade of $16 million. That same year, they paid almost 150 times that amount in interest to US commercial creditors.

The most protected part of trade is agriculture, creating a costly global distortion. In the EEC and the United States, the fiscal costs of agricultural protection run into the tens of billions of dollars. In Japan, rice is sold at more than five times the world price. About one-third of industrial countries' food imports faced non-tariff barriers in 1966; now the share is 90 percent.

Liberalized trade in all key agricultural products would substantially benefit net food exporting countries like Brazil, India, Argentina and the Philippines. According to recent studies, free trade in agriculture would increase total employment in Germany by at least 4 percent and produce three million more jobs in the four largest EEC members. It would reduce Japanese agricultural land prices by up to two-thirds.

An agreement to reduce or eliminate agricultural barriers would likely assist developing countries even more than a massive increase in foreign aid equal to the price shift. Freer and growing trade would not only create a strong environment for development, it would likely accelerate that development. When industrial nations repudiate in practice the liberalization they preach, they harm development and themselves.♦

This article is based on a December speech to trade ministers in Montreal.

A guide to perplexing non-tariff trade barriers

Levies, charges, VERs, MFAs, countervailing, dumping all explained

For those bewildered by the jargon of international trade, here's a layman's guide to non-tariff barriers (NTBs):

Voluntary export restraints (VERs)—An exporter voluntarily agrees to limit exports at the importer's request. Usually negotiated between governments or with government approval between industries in the involved countries. The most widely used and fastest-growing NTB. The US-Japanese VER in the early 80's limited import of Japanese autos to the United States.

Multi-fiber Arrangement (MFAs)—Bilateral agreements on textiles and clothing, usually between one developed and one underdeveloped country, specifying quotas and most often excluding such imports from elsewhere. This NTB most affects developing countries. For example, while MFAs restrain exports of clothing from Bangladesh to most developed markets, such exports from Finland or Italy are untouched.

Restrictive licensing procedures—Countries require licenses for some imports, allowing them control, much like quotas. Often used by France and on politically sensitive products like footwear and sugar.

Variable levies—Charges added to imports and based on the difference between domestic government support prices and a product's world price. The core of EEC agriculture policy, they penalize efficient agricultural exporters like Brazil, Argentina and India.

Countervailing charges—Designed to offset export subsidies and often imposed when a home industry affected by subsidies, such as US steel by EEC subsidized steel exports, convinces government to add charge to imports.

Anti-dumping measures—Similar to countervailing charges, except they are levied against specific industries that export goods below their domestic price, a practice called dumping.

WorldPaper

Featuring fresh perspectives from around the world on matters of global concern.

President & Editor in Chief Crocker Snow, Jr.
Managing Editor Arnold Zeitlin
Business Manager Lena Granberg
Sales Director Carla Wright
Director of Design Elizabeth Fullon
Classified Ad Mgr Melissa Mills
Spanish Edition Laura Eastment
Chinese Edition Xinhua (New China News Agency)

WorldPaper
424 World Trade Center
Boston, MA 02210 USA
Tel: (617) 439-5400
Telex: 6817273
Fax: (617) 439-5415
Volume XI, Number 2

© Copyright World Times

WorldPaper appears monthly in English, Spanish or Chinese in the following publications:

ASIA

China & the World *Beijing*
Singapore Business *Singapore*
Mainichi Daily News *Tokyo*
Philippine Daily Inquirer *Manila*
Executive *Hong Kong*
Hongkong Standard *Hong Kong*
Korea BusinessWorld *Seoul*
Business Review *Bangkok*
Daily Observer *Colombo*
Business India *Bombay*

LATIN AMERICA

Actualidad Económica *San José*
Gerencia *Guatemala City*
Estrategia *Bogotá*
El Diario de Caracas *Caracas*
Daily Journal *Caracas*
Debate *Lima*
Hoy *Quito*
Cronista Comercial *Buenos Aires*

MIDDLE EAST

Cairo Today *Egypt*

Savannah–The CONTAINERPORT with the most rapid intermodal interchange system on the east coast.

The Port of Savannah meets the challenge of containerization with modern technology. Your containers come ashore at one of the most progressive CONTAINERPORTS in the world. On-line with our own Customs clearance system, COBRA, and E.D.I., containers are routed and tracked from point of origin to destination.

The Port of Savannah has become the focal point for shippers seeking the economy of all-water transport from the Far East to the Eastern U.S. Our proximity to major U.S. Interstates ensures swift inland delivery.

Our established intermodal system provides customers with the most rapid and economical cargo destination in the industry.

Call the Port of Savannah, where containers are our business.

U.S.A. Richard Field
Director of Trade Development
Tel. 800-841-1107 • Tel. 800-342-8012 (in GA)
FAX 912-964-3903 • Telex 804718

TOKYO Isao Togioka, Far Eastern Director
Tel. 214-3851/2 • FAX (81-3) 211-1978
Telex GPATOKYO J29141

HONG KONG Charles P.K. Leon, Asian Director
Tel. 5-294338 • FAX (852-5) 865-3492
Telex 65034 GAPTS HX

SEOUL Peter E. Bartholomew
Director of Georgia Economic Office
Tel. 783-4754 • FAX (82-2) 784-8027
Telex (787) IRCLTD K27962

Port of Savannah

Despite vote, Canadians harbor free trade fears

FTA could mean loss of autonomy, US domination

By Kirk Patterson
in Ottawa, Canada

DESPITE GIVING a parliamentary majority in their November election to the party favoring a Free Trade Agreement with the United States, many Canadians are still unsure about the FTA. They wonder if the promised benefits will ever materialize and they sense they may be giving up too much autonomy.

The agreement eliminating tariffs on virtually all products crossing the border went into effect Jan. 1. For the time being, Canadians are willing to embark on the 10-year process of implementing it. But they will watch closely for signs that the FTA could turn out to be a bad deal for Canada.

The suspicions of Canadians are reflected in the questions they still raise:

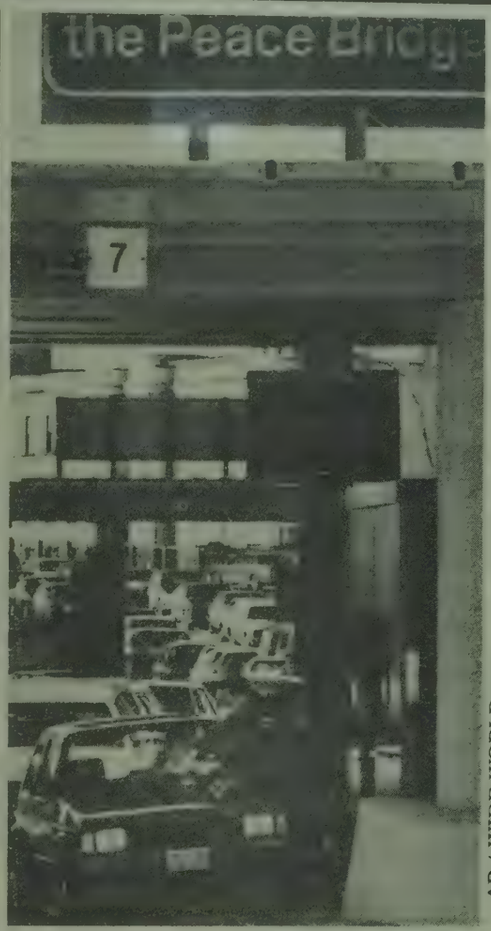
- Does the FTA serve Canadian interests?
- Does the FTA represent the path of prosperity or the road to ruin?
- Is the FTA simply a free trade pact or does it, in fact, imply closer political and cultural integration with the United States?

On numerous occasions, as far back as 1911, Canadians have been tantalized by, but ultimately rejected, the idea of a trade pact with the United States.

Sir Wilfred Laurier expressed the apprehension of many of his countrymen when he said in 1903 that the people of the United States "are very grasping in their national acts and are determined upon every occasion to get the best in any agreement."

The 1988 election was lackluster and unfocused until John Turner, leader of the opposition Liberal Party, brought the FTA issue screaming to the surface in nationally televised debates in October.

With an impassioned plea not to sell Canada down the river, Turner tapped a rich vein of understated nationalism, anti-Americanism and cultural pride. He argued the FTA threatens Canadian social and regional development programs, that "it yields the economic levers of sovereignty: our energy, our investment policy, our capital markets, supply-management of agriculture," and that it endangers the Canadian cultural mosaic so painstakingly assembled over the past 120 years.



AP / WIDE WORLD

US-Canada border: crossing free.

> With developed states moving toward regional trading blocs, the Third World effectively is being left outside looking in.

The electorate sided with Prime Minister Brian Mulroney's Progressive Conservative Party, which forecast an increase in jobs and which projected a vision of a Canada strong enough to compete with the United States. But with his party's popular vote down 6.9 percentage points from 1984 to 43 percent against its two major rivals, Mulroney's claim that the election was a clear-cut, pro-FTA mandate is tenuous.

Although the FTA has become law, one pending issue could derail the deal. This is the question of how to define government subsidies, with the ultimate goal of eliminating or significantly reducing their trade-related impact.

Canadians fear US pressure for "harmonization" of subsidies would threaten the social programs such as the country's health care scheme, since the United States could argue that the Canadian government's payment of part of a worker's health care premium could be considered an unfair subsidy. Failure to agree on the subsidy question within seven years would allow either country to cancel the FTA with six months notice.

The FTA is a watershed in Canadian-US relations. For the first time, Canadians overcame their traditional allergy to a potential reduction in political and cultural sovereignty and decided their economic well being can be enhanced by stronger ties with the United States.

The FTA also symbolizes an increasing preference for bilateral and regional trading and economic arrangements, as opposed to global ones. Because Canada and the United States are each other's largest trading partner, the FTA covers a substantial portion of their exports and imports. Both countries are less dependent on and, therefore, less likely to make concessions aimed at establishing an equitable global trading regime. Canada exported goods worth US$82.9 billion to the United States and imported $83 billion in US goods in 1987.

It is likely similar pacts will exacerbate economic tensions between North and South. With developed states moving toward establishing regional trading blocs and resolving economic disputes on a bilateral or regional basis, the Third World effectively is being left on the outside looking in.

As a result, many developing countries trying to stimulate exports to help pay their foreign loans may find that their pleas for greater access to the world's richest markets may reach deaf ears.

As a result, while the FTA may be a free trade agreement, with unknown consequences for Canada and the United States, whether it is a fair trade agreement as far as the global community is concerned remains to be seen.♦

Kirk Patterson, a dual US-Canadian citizen, is a consultant on international trade and finance.

Welcome to the *New* Atlanta International Airport!

We're your quick and easy gateway to and from the U.S.A.!

Now with 10 international gates. Speedier passport control. Nonstops on any of 12 international airlines to the world's premier business and leisure destinations. And unsurpassed connections — 1,000 flights a day — to take you anywhere in North America.

It's a smooth move on the ground, too. Our train system whisks you through the terminal while computers keep track of your bags. And it's only 16 kilometers to downtown Atlanta — North America's new international city in the heart of the sunny South.

Come take a new look at Atlanta International Airport! See why business travelers vote us the best liked airport in North America, and make us your gateway to the U.S.A.!

For free information, write John M. Braden, Director of Marketing, Airport Commissioner's Office, Hartsfield Atlanta International Airport, Atlanta, Georgia 30320, U.S.A. Telephone: 404-530-6600. Telex: 544078.

Atlanta International Airport

A view Down Under

An upside-down look at Australian trade

By G.S.R. Wood
in Canberra, Australia

HERE'S AUSTRALIA'S upside-down perspective of the international trade debate.

• In contrast to the United States, Australia has a trade surplus with Japan, which is its major export market. It also runs a two-to-one trade deficit with the United States, the second largest surplus the United States has with any country.

• Despite complaints elsewhere about the Japanese, for Australia, Japan provides a reasonably open market. Despite the US surplus of trade, Australia faces many non-tariff barriers and what the United States calls "unfair trading practices" as it tries to sell to the United States or compete abroad with the United States. They include quotas, so-called "voluntary restraints," export subsidies and the US export enhancement program applying to wheat. All are measures to which the United States takes a strong exception—when employed by others.

• Australia is a developed economy, but heavily reliant, instead of on manufactured exports, on agricultural and mineral exports. Australia is virtually alone in the world in not subsidizing or otherwise significantly assisting agriculture.

As a relatively small country, Australia favors an international rule of law for world trade although it has with New Zealand what is arguably the first genuine free trade agreement between any two countries.

The global international trade environment is at a watershed. The US budget deficit is the San Andreas fault in the international economy. The prudent correction of the US budget deficit is the essential step toward correcting trade imbalances, such as the dramatic ones between the United States and Asia.

Japan is a more open market than it's normally presumed to be. While rarely given credit, Japan is removing a significant number of its non-tariff trade barriers, for example, in areas like agriculture. The structure of Japanese import trade has shifted over the past few years. Manufactures now represent about half of Japan's total imports, up from roughly one-quarter a decade ago.

Part of the reason for the shift is passive—the fall in international commodity prices, particularly energy prices.

But a sense of the changes occurring is reflected in Japan importing steel from Korea and Japan's status as a net importer of textiles and apparel. Sooner or later, the destination of Japanese "exports" will be Japan. The consumers in Japan will start flexing their muscles.

In the long term, the movement of the dollar means the acceleration of shifts in economic structure throughout the world. Trade policies—whether other countries become protectionist or remain relatively open—will become important in determining how well countries adjust to those shifts.

The new US trade bill and the US-Canada free trade agreement mark a substantial evolution in US trade policy. The trade bill has the potential to grease the wheels of US protectionism. Its Section 301 mandates US challenges of "unfair" trade practices of other countries when it may not necessarily be in the US interest to do so and when the United States may be employing the same practices.

Other countries wonder if the Canadian agreement represents the way of the future. At a high-policy level, the United States has sent a message—most clearly directed at Europe and Japan— with the agreement that it has other options outside of the multilateral ones of the General Agreement on Tariffs and Trade (GATT).

Similar agreements will be difficult to reproduce. Mexico, for example, is an agreement candidate, but the United States would hesitate to provide Mexico unfettered trade access. The United States is unlikely to provide Japan with duty-free, restriction-free access to its market; it is unlikely Japan is greatly different.

Closer examination of suggested US free trade arrangements with the Association of Southeast Asian Nations (ASEAN), Australia and the Pacific leads to the logic of re-establishing multilateral trade reform and a general lowering of barriers. The possibilities for other bilateral trade agreements are endless: China and Japan; ASEAN and Japan; China and Europe. Also endless are the complications if the world is carved into separate preferential and, therefore, discriminatory trading sectors.

The best idea is for the United States to declare a moratorium on additional bilateral agreements for at least two years and give trade officials the time to direct their energy toward improving the global trading system.♦

G.S.R. Wood is commercial minister of the Australian Embassy in the US.

RVB International

Managerial skill development in Holland

Post-graduate, skill-oriented international courses in:

- **Financial Management**
- **Small Entrepreneurship Promotion and Industrial Assistance**
- **General Management for State Enterprises**

August 14 - November 16, 1989
Enrollment deadline: May 15, 1989

Financial assistance may be available from Dutch or other sources.

For further information write or telex to:

The Head,
Executive Development Programmes
Netherlands International Institute for Management
P.O. Box 143
2600 AC Delft, The Netherlands
Telex 38323 RVB NL
Telefax (31) 15 566831

• INTERNATIONAL EDUCATION MARKETPLACE •

RVB International

Spend a year in Holland and earn an MBA

A unique MBA programme with a mix of strategy and operation. Starting September 11, 1989.

Two streams:

Industrialisation and Management stream:

- Industrial Policy
- Strategic Management
- Behavioural Science
- Management Information Systems

Accounting and Finance stream:

- Advanced Accounting
- International Managerial Finance
- Security Analysis and Portfolio Theory

Write or telex for more information to:

The Head of the MBA Department Netherlands International Institute for Management

P.O. Box 143
2600 AC Delft, The Netherlands
Telex 38323 RVB NL
Telefax 3115 566831

The **UNIVERSITY OF AMSTERDAM** organizes *postgraduate* courses for International Relations Executive (Aug.'89 - May '90).

Graduate Lawyers, Economists and Political Scientists are trained in the application of international law and law of the European Community and in operating in the field of international and European economic and political relations, also with a view to **EUROPE 1992.**

Language of instruction: English.

For more information, write or call:
ASEDIR
237, O.Z. Achterburgwal, 1012 DL Amsterdam
Tel. The Netherlands 31.20.525 2966

BOSTON
MASSACHUSETTS

One of America's most historic cities!

Mount Ida College

PSU
Earn UNIVERSITY DEGREES

Utilizing work life & academic experience by evaluation and information forward resume to:

PACIFIC SOUTHERN UNIVERSITY
3581 W. Pico Blvd. Dept. "P"
L.A., CA 90035 USA

OFF-CAMPUS DEGREE PROGRAMS

Somerset University
Independent

UNIVERSITY DEGREE

BACHELOR'S • MASTER'S
DOCTORATE

Send detailed resume for free evaluation.

Pacific Western University

SHORT-TERM GROUP PROGRAMS
ENGLISH FOR SPECIAL PURPOSES
SAINT MICHAEL'S COLLEGE

A leader for 30 years in English/Professional Development Programs • Year-round Training Options • Experienced Faculty • Small classes • Special Housing/Instructional Center • Programs Designed to Meet Group Needs.

CENTER FOR INTERNATIONAL PROGRAMS
Saint Michael's College, WPD
Winooski, Vermont 05404, USA
Telex: 5102990013 Fax: 802-655-3680

The English Language Institute
Queens College, The City University of New York

Full-time (18 hours per week) English language instruction for foreign students, businessmen, diplomatic personnel.

Established 1945.

Campus in suburban Queens yet only 45 minutes from the cultural center of New York City. Now accepting for the current semester.

QUEENS COLLEGE

For application:
English Language Institute - WP
Queens College
Flushing, N.Y. 11367 USA
Telephone: (718) 520-7495

Spartan Health Sciences University School of Medicine

- Classes Starting: May 1989 September 1988, Jan. 1990
- Instruction in English
- W.H.O. Listed

Harvard this summer

June 26–August 18
1989

Harvard Summer School offers open-enrollment in day and evening courses. The curriculum includes courses that fulfill college degree requirements and programs designed for personal and professional development.

Our international student body has access to Harvard's outstanding libraries, fine museums, well-equipped laboratories, and cultural activities.

We feature a college-level program for secondary school juniors and seniors,* as well as a Dance Center and special programs in Health Professions,** Drama, Writing, Ukrainian Studies, and English as a Second Language.

*Application required. **For minority and economically disadvantaged students.

For more information return the coupon below or call (617) 495-2494 (24 hour line). Please allow 4-5 weeks for delivery.

☐ YES, please send a 1989 Harvard Summer School PREVIEW BROCHURE and/or specific information about the following programs:

☐ Secondary School Program ☐ Dance Center ☐ Writing
☐ English as a Second Language ☐ Health Professions ☐ Drama

Name _____
Address _____
_____

HARVARD UNIVERSITY SUMMER SCHOOL
Dept. 609, 20 Garden Street, Cambridge, MA 02138, USA

Master business in

BERKELEY.

Be one step ahead of the world.

Learn management in one of the most advanced business centers in the world. Earn your degree in Berkeley.

Master of Business Administration Degree Programs
Available majors include Finance, Marketing, International Business, Management and Accounting.

Armstrong also offers undergraduate degrees in:
Accounting, Management, International Business, Computer Management Science, Finance and Marketing.

English as a second language is offered to help international students prepare for TOEFL.

ARMSTRONG UNIVERSITY

Send coupon for application, brochures and free 128 page catalog

2222 Harold Way Berkeley, CA 94704 (415) 848-2500 WP-22

Please send free 128-page catalog. My interest is:
☐ MBA ☐ Undergraduate degree programs ☐ ESL

Field _____
Name _____
Address _____
City _____

Accredited by Western Association of Schools and Colleges

FULLY APPROVED UNIVERSITY DEGREES

Economical home study for Bachelor's, Master's, Ph.D., fully approved by California State Department of Education. Prestigious faculty counsels for independent study and life experience credits (5000 enrolled students, 400 faculty). Programs in business – Richard Crews, M.D. (Harvard), President, Columbia Pacific University, Department 3052, 1415 Third Street, San Rafael, CA 94901. Toll free (800) 227-0119. California: (800) 552-5522, or (415) 459-1650.

English Language Program

July 10 - August 11, 1989
University of Lowell
New England's High Technology Region

- full time (15 hours per week)
- intermediate and advanced levels
- emphasizes technical English
- small classes, strong language labs

ntroducing

THE CERA BATHSUITE

The Cera Collection

Because the way you live today makes yesterday's bathroom outdated

The Cera BathSuite is a new experience in exclusive and individual living. It allows you to express yourself in ways you never thought of before. And it can lead to new ways of using your bathroom — large or small.

Take a look at the features that will help you get the best from Cera.

- Four designer collections styled for contemporary living — Conca, Capri, Corner and Crowne.
- The largest colour range — 30 stunning shades, in glossy or matt finish with Cera tiles to match.
- Water-saving W.C. cisterns — 5, 6½ and the usual 10 litres.

To see what the Cera BathSuite can mean to you, visit any of our stockists' showrooms, or write to us for our free booklet, 'How to transform yesterday's bathroom into a Cera BathSuite' — it's almost as good as being there.

You'll never want to enter yesterday's bathroom again.

The Crowne Collection. — Wash basin, W.C. cistern and tank.

CERA

Madhusudan Ceramics

(A division of Madhusudan Industries Ltd.)
E-15, M.I.D.C. Area, Satpur, Nashik 422 007

FREE!

Please send me a copy of the booklet 'How to transform yesterday's bathroom into a Cera BathSuite'.

Name _____

Address _____

HEAVY DUTY

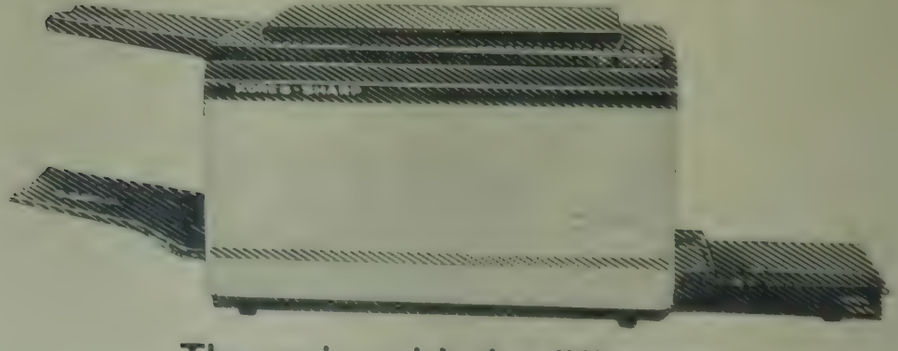
Kores-Sharp. The untiring A3 size copier with OPC technology

Kores-Sharp's OPC technology is the latest in the world of Photo Receptors. The Organic Photo Conductor is resistant to high atmospheric temperatures, scratch-resistant to normal dust. Gives excellent reproduction from coloured and half-tone originals. All this at a very economical price... so your copy cost is kept low. Plus many other unique features.

And of course, Kores all-India network of offices, and service centres for speedy response. Ensuring that your copier stays in top condition.

For further details contact your nearest Kores office. Today.

kores KORES (INDIA) LTD. Business Machines & Systems Dvn., Worli, Bombay 400 018. Tel: 4921948/4920696 Branches all over India



The copier with the difference

Gammon India

Dividend hiked; construction industry depressed; no foreign projects on hand; takeover bid on

Even with no substantial improvement in its working, Gammon India has stepped up dividend by 3 points. However, its performance has been affected not only by the depression in construction industry but also by the adverse operations of the Fer-chems division that produces sulphuric acid and superphosphate. This division incurred an operating loss of Rs.1.03 crores on sales of Rs.2.10 crores. The company has closed the unit and decided to sell it.

The company's overall turnover increased marginally by 4 per cent to Rs.103.22 crores. Despite a drop in gross profits, net profit has increased, mainly due to lower foreign projects reserves of Rs.18 lakhs (previous year: Rs.60 lakhs) and no foreign tax provision (Rs.63.46 lakhs). The company closed the accounting year with balance work-on-hand amounting to Rs.135.36 crores (Rs.142.39 crores). With contracts worth Rs.58 crores secured during the year, the order book position stood at Rs.193.36 crores, as on 30 November 1988. Although contracts receipts went up by 8 per cent, the company has incurred losses on some of the jobs.

Sundry debtors outstanding for over six months have increased by 60 per cent to Rs.26.15 crores. The company has increased borrowings by Rs.2.05 crores as secured loans to Rs.7.38 crores. With the company's subsidiaries going further into the red, dues from them have risen to Rs.4.52 crores (Rs.1.69 crores), including loans of Rs.1.85 crores (Rs.0.76 crores).

The joint venture company, Gammon Midest Ltd (GML), in which the company is a co-venturer with Midest Holdings Ltd (MHL), has ceased operations since 1985 due to the gulf war. Under growing pressure from creditors, MHL moved a petition in the Sharjah civil court for winding up GML. The grain silos project at Libya has been completed at a loss, to be written off over the next couple of years. During the year, no new overseas contracts were secured. Nevertheless, the company's prospects of securing jobs could improve with the end of hostilities in the Gulf.

With the Chhabrias and the current management having nearly equal holding, the AGM to be held on March 1989 will be crucial in deciding who will control Gammon in future. The current accounting year will be of an 8-month period ending 31 March 1989.

(Rs crores)

Period ending	31 July 1988	31 July 1987	% change
[illegible]	[illegible]	77.76	[illegible]
[illegible]	4.58	3.92	– 16
[illegible]	5.62	6.32	– 11
[illegible]	20.29	19.45	4
[illegible]	2.48	2.42	3
[illegible]	4.79	6.80	– 30
[illegible]	3.49	3.62	– 4
[illegible]	1.30	4.83	– 73
[illegible]	3.49	1.98	77
[illegible]	2.49	2.49	
[illegible]	1.00	1.00	
[illegible]	13.21	12.99	
[illegible]	20.00	19.00	
[illegible]			
[illegible]	25.00		
[illegible]	30.00		
[illegible]	20.00		

Jokai India

Maintains dividend; profits and profitability down; overseas market stimulating; huge free reserves; likely bonus candidate

Jokai India, in which Jokai Tea Holdings Ltd of the UK holds 74 per cent of equity, has suffered a setback in its working during the year ended 30 June 1988. The turnover of the company has declined by 2 per cent to Rs.29.52 crores (previous year: Rs.30.14 crores).

During the year, the company harvested 9.8 million kgs (9.56 million kgs) of tea, which was up by 2.5 per cent. It managed to sell 4.1 per cent more tea at 10.1 million kgs (9.7 million kgs). However, average sales realisation fell from Rs.27.97 to Rs.26.72 per kg, lowering profits by about Rs.1.27 crores.

Not surprisingly, steep cost escalations have reduced the gross margin to 23 per cent (28 per cent). Lower tax provision, which as a ratio to profit before tax works out to 42 per cent (54 per cent), has however arrested the further deterioration of profit.

The company has opted for a more liberal credit policy. The amount outstanding against sundry debtors has increased by Rs.1.09 crores and, in proportion to sales, has gone up by 4 points to 37 per cent. Correspondingly, bank overdrafts have increased by 11.3 per cent. The debtors includes Rs.7.08 crores due from a foreign party outstanding for more than three years. Since the debt is guaranteed by the holding company, Jokai India is awaiting RBI permission to initiate legal poceedings against it. Nevertheless, as a precautionary measure, a special reserve of Rs.3.54 crores has been created from post tax profits upto 1985-86 to take care of any reversal.

Exports moved up by 50 per cent to Rs.1.07 crores. The recent amendment to Section 80 HHC of the income tax provides tax exemption from export profits and the reintroduction of full excise duty rebate on direct tea exports. This prompts Jokai to move towards value added teas and increase exports.

The current year will consist of nine months ending 31 March 1989. Jokai India has never issued a bonus share ever since incorporation in 1975, but with a free preserve of Rs.14.5 crores against a equity of Rs.2.5 crores, chances are bright for a bonus.

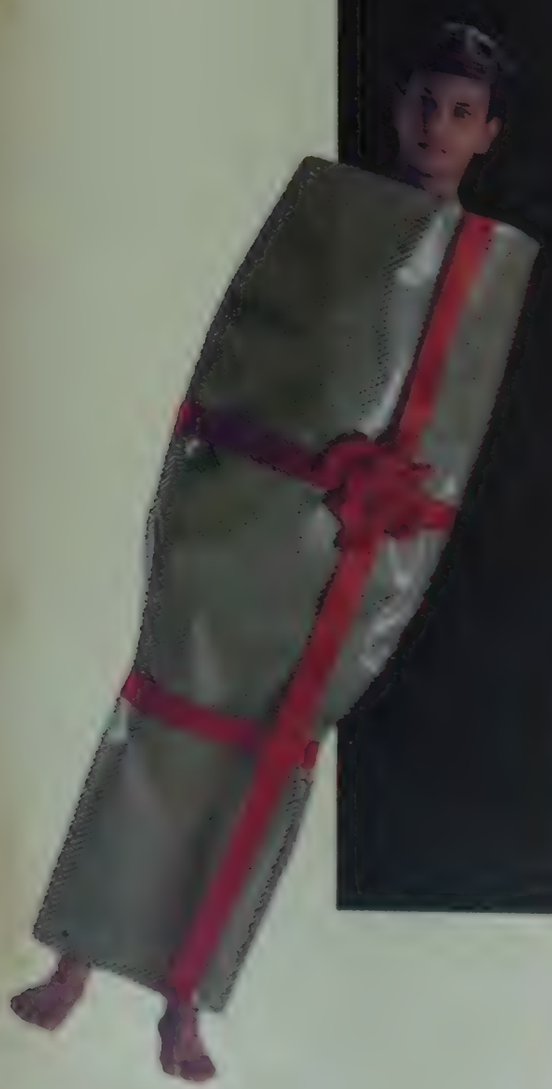
(Rs crores)

Period ending	30 June 1988	30 June 1987	% change
[illegible]	25.41	25.56	
[illegible]	1.60	1.56	2.56
[illegible]	9.96	9.92	
[illegible]	8.77	8.06	9
[illegible]	0.56	0.59	– 5
[illegible]	5.59	6.72	– 17
[illegible]	1.03	1.03	
[illegible]	1.96	2.64	– 26
[illegible]	2.74	3.06	– 10
[illegible]	2.50	2.50	
[illegible]	14.74	12.99	
[illegible]	22.83	19.99	
[illegible]	40.00	40.00	
[illegible]			
[illegible]	123.00		
[illegible]	123.00		
[illegible]	86.00		

Kirloskar Oil Engines

Out of the red; higher sales volume; returns to the dividend list after a gap of two years; prospects look better if trend continues

Kirloskar Oil Engines has performed better than expected during the year ended 30 June 1988. After a gap of two years, the company has returned to the dividend



One is, of course, referring to clothes and accessories that reflect a grown man's allegiance to all that is enduring.

An allegiance shared by Park Avenue. So consider for a moment, just one aspect of their readymade package: Formal Trousers and Shirts.

From the knife-edged crease to the understated self-striped patterns. And from the pleated front to the pure silk, cotton or blended fabric of the fused-collar shirt, discover how Park Avenue emphasizes the one thing that survives every antic of fashion:

Style.

Is there anyone out there who still knows how to package a grown man?

Park Avenue

Style
is never gone out of fashion

The Park Avenue Collection
Readymade for you:
Suits, Jackets & Blazers
Safaris

Trousers & Slacks

Kurtas
Jeans
T-shirts
Woollen Knitwear
Ties
Scarves & Cravats
Handkerchiefs
Socks
Belts & Leather Articles
Men's Toiletries

For a free Park Avenue booklet
write to: J.K. Bombay Ltd.
P.O. Jogeshwari, Thane - 401 060.

When you've tried everyone else and failed

regarding your commercial and private investigations such as:

☐ Surveillance ☐ Undercover agents
☐ Pre-employment checks ☐ Credit & status enquiries ☐ Tracing missing persons
☐ Divorce enquiries.

come to
HENRY BAWA

LITTLEMORE
SERVICES PVT. LTD.
DETECTIVES & INVESTIGATORS

A/15 Sea Lord, Cuffe Parade, Bombay-400 005.
Tel: 216176/8221936/213955
Gram: LITSERDET, Telex: 011 4407
Fax No: 022-214047.

THE INSTITUTE OF CHARTERED FINANCIAL ANALYSTS OF INDIA

ADMISSION NOTICE

THE CFA PROGRAMME

(In collaboration with the Institute of Chartered Financial Analysts, USA)

The CFA Programme is designed to provide specialised training in Corporate Finance, Investment Management and Financial Services leading to the designation of '**Chartered Financial Analyst**'. More than 9000 candidates have already enrolled in the CFA Programme from all over the country. National institutions like IDBI, ICICI, IFCI, UTI and many companies have approved the CFA Programme for reimbursing the fees.

ELIGIBILITY

Graduates (any discipline). Final year degree students may also apply. Exemption from the Admission Test is granted to certain categories of candidates like CAs, AICWAs, MBAs, First Class Graduates etc.

For Prospectus and Application Form please write to The Admissions Officer giving your address and enclosing a DD for Rs. 50 favouring ICFAI, payable at Hyderabad.

The Institute of Chartered Financial Analysts of India
Road No. 3, Banjara Hills, Hyderabad - 500 034.

...t. It declared a 6 per cent dividend on ...ity and cleared dividend arrears on ...ference shares.

The company has increased turnover ... 31 per cent to Rs.119.23 crores; this was ..., due to higher sales volume. The ...tion between 3 and 650 HP accounted ... a major chunk of sales at 42 per cent, ...ile the R type engines and bimetal ...rings together with engine valves, ...ntributed 23 and 14 per cent increases, ...spectively. Sales of diesel engines was ...r times higher at Rs.7.75 crores. On ...e other hand, export earnings have de...ased by Rs.1.40 crores to Rs.4.43 crores. ...ports include Rs.86 lakhs worth of ...ings exported to USSR. Despite pro...portionate increases in expenses, the op...rating profit is up 102 per cent at ...11.41 crores. The working improved ...th the introduction of new models of ...gines, including those of higher horse...wer required for propulsion and gener...ng sets.

The company reported a loss of Rs.2.56 ...res in the first half of the year. In fact, ... the net profit was earned in the second ...lf with sales up by 42 per cent at ...67.75 crores, against Rs.47.67 crores in ...e first half. The operating margins were ...so better at 16.82 per cent, against 9.71 ...r cent. Even raw materials consump...n, as a percentage of sales was lower at ...42 per cent against 53.35 per cent ...reover, the interest burden was higher

(Rs crores)

...riod ending	30 June 1966	30 June 1967	% change
...	...	...	...
...	...	...	...
...	...	...	...

Watch your credit-rating go up...

at over 8000 places simultaneously with Centralcard...

Over 8000 of the most respected, sought-after establishments in India and Nepal offer you free credit if you are a Centralcard-holder.

- Shop, dine, travel, and avail of a lot more facilities with your Centralcard.
- Get instant and easy cash withdrawals at any of Central Bank's 2600 branches.
- A special add-on membership for spouses.
- A Corporate Membership Scheme for organisations.

Centralcard offers merchant establishments a wide customer base in India. Coming from India's largest nationalised bank, the Central Bank of India, Centralcard is also issued by the Vysya Bank and the United Bank of India.

To date, there are over 40,000 Centralcard-holders and the numbers are increasing rapidly.

Centralcard's international tie-up with the world's two largest credit card chains, Mastercard and VISA, offers a huge potential clientele of over 536 million. That means greater business prospects for Centralcard merchant establishments.

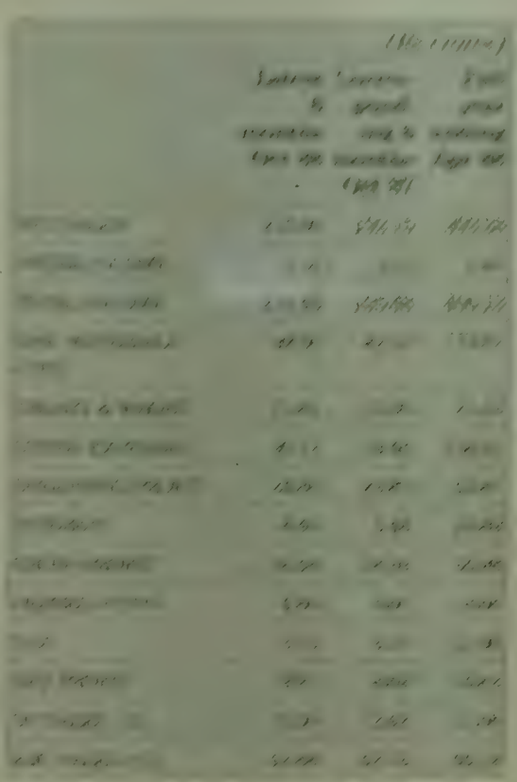
And a great credit rating for Centralcard-holders!

Centralcard

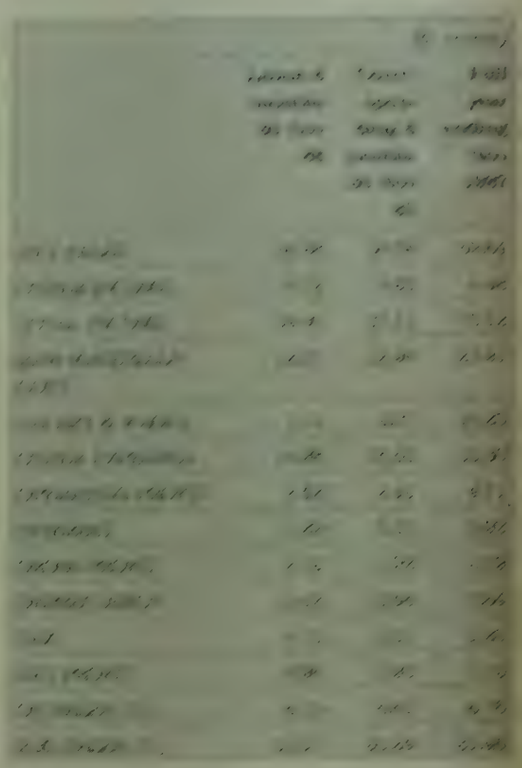
For details contact your nearest branch of Central Bank of India.

[illegible]

[illegible]



[illegible]



[illegible]

to a fall in the net profit of Rs 1.2 crores in the corresponding period of the previous year. The company has proposed a dividend of 10 per cent on the enhanced capital.

Modi Rubber

During the company's sales have increased by 12 per cent, cost of production has gone up due to the trend in the industry. As a result, margins are under pressure, despite higher sales. Even at current levels the profits are inadequate to pay the interest and the company is declaring only a nominal dividend.

The company is going ahead with its expansion plans. It is also proposing the formation of a collaboration for the manufacture of butyl rubber. The project is to have a 25,000 tpa capacity and at a cost of Rs 25 crores. It is said the project will be the first of its kind in India. There is a possibility that the company may enter into collaboration with overseas companies. The promoters propose that the Government is to have a 40 per cent equity participation.

Modi Xerox has tied up with S.V. Enterprises Limited for the manufacture of photocopiers. The project is estimated to cost Rs 3 crores and is linked to the company's expansion programme. The collaboration has agreed to a 40 per cent stake in the new venture. The initial turnover target, planned over four years, has been given up with the present uncertainty of used cars.

According to a settlement, warring groups of the Modi clan have reached an agreement of dividing the group's assets, wherein the K.K. Modi group will retain control of Modi Rubber. In another proposal, the group plans to merge Modi Cargoes (with accumulated losses of around Rs. 2 crores) with Modi Rubber.

Parke-Davis (India)

The company's sales, at Rs 36.36 crores, is 7 per cent higher than that in the previous corresponding period. At the same time, the company's raw materials cost has declined by 5 per cent, to Rs 12.57 crores. Thus, raw materials consumption as a percentage of net sales has declined from 36.24 to 31.34 per cent. But the jump of 20 per cent in selling and distribution expenses has not only wiped out the gains, leading to a fall in operating margins.

It is encouraging to note that the interest burden has fallen, while depreciation levels have been more or less maintained resulting in higher tax provision.

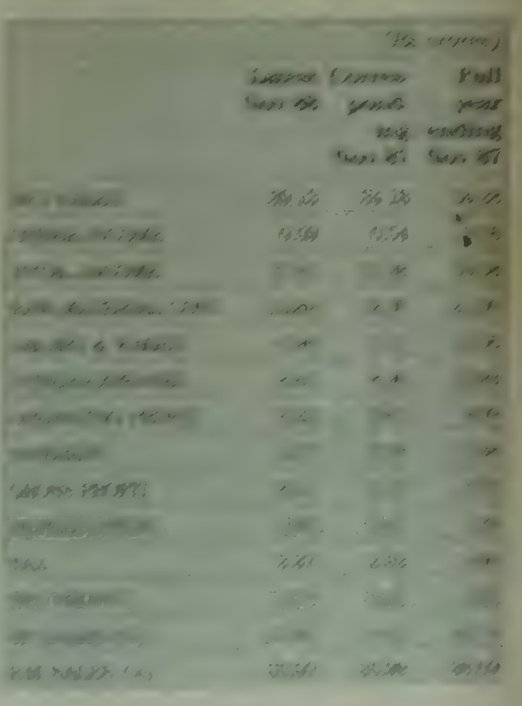
The company's scheme for expansion and diversification envisages setting up of a formulation unit, bulk drugs unit and a research laboratory. Out of Rs 3 crores, Rs 1.2 crores is to be spent on plant and machinery, Rs 1.5 crores on working capital and the balance on miscellaneous expenses. The company has also proposed to increase its equity capital from Rs 1.5 crores to Rs 2.5 crores by issuing 10,000 equity shares of Rs 100 each to the promoters. The company has also proposed to issue 50,000 equity shares of Rs 100 each to the public. The company has also proposed to issue 50,000 equity shares of Rs 100 each to the public.

Extensive trials on liquid have been conducted in favourably adjusts to the climate and fractions.

Otis

The company has turned out excellent results for the six months ended December 1982. This year's figures compare favourably with the previous year's second half.

With only a 15 per cent rise in turnover, the net profits rocketed by 72 per cent, thanks to increase in margins of 21 per cent (16 per cent) and controlled cost. Other



[illegible]

expenses have actually reduced by Rs.7 lakhs on a higher turnover.

Taxes are higher but the cash accruals are even higher at Rs.4.84 crores (Rs.30 lakhs). The company has announced a 10 per cent interim for its extended year ending March 1989 (16 months). The order book position, at Rs.28 crores (Rs.20 crores), promises good performance in the near future.

Meanwhile, there are reports that Otis may take over the computer division of the ailing Machinery Manufactures Corporation (a Mahindra company).

Kelvinator

Kelvinator has announced excellent results for the year ended 30 June 1988, logging a 35 per cent increase in sales to Rs.194.54 crores.

Despite a higher depreciation provision at Rs.4.93 crores (Rs.2.74 crores), increased interest of Rs.3.51 crores (Rs.3.24 crores), and provision for tax at Rs.1.65 crores (Rs.50 lakhs), the profit after tax has more than doubled at Rs.5.24 crores (Rs.2.46 crores). With this, the earnings per share also increases two-fold to Rs.14.76 per share (Rs.6.93). With the improved performance, dividend has been hiked by 5 points to 20 per cent.

Kelvinator has taken several steps towards modernisation of manufacturing techniques in both refrigeration and mopeds divisions. Its technology upgradation programme is proceeding according to schedule; this makes the company confident of improving productivity in coming years.

The company is successfully reaching near 100 per cent indigenisation of the full range of its mopeds, and this is likely to bring about cost savings.

Blow Plast

Blow Plast has recorded 10 per cent higher sales at Rs.82.19 crores during the year ended 31 July 1988.

The company has provided Rs.84 lakhs (Rs.96 lakhs) for depreciation and a 89 per cent lower provision for taxation at Rs.7 lakhs (Rs.61 lakhs) achieving an after tax profit of Rs.1.58 crores (Rs.4.40 crores). However, the larger part of the profit of the earlier year has come from sale of investments which amounts to Rs.2.50 crores. With this depressed performance, the company has declared a 15 per cent (30 per cent) dividend. This, however, is on an enlarged equity base resulting from the liberal bonus shares issued in the ratio of 1:1 made during the year.

The moulded luggage industry is bouyant and is witnessing increasing sales in both domestic and international markets. The company has widened its range of moulded furniture products.

The toy division of the company — Leo Toys — manufactures a range of toys which are well received by customers. With the country's toy industry growing at the rate of 20 to 25 per cent per annum, Blow Plast could do much better in this area in the near future.

Kanoria Chemicals and Industries has decided to expand and diversify in the chemicals field. The company's chenical unit at Renukoot, U.P. has attained 100 per cent capacity utilisation. The formal dehyde plant is expected to be commissioned in the latter half of 1989 with technical collaboration with Perstrop AB, Sweden. The company plans to make a debenture issue to finance its ongoing expansion and diversification.

Meanwhile, the company has set up Kanoria Alkalies & Plastics, their wholly owned subsidiary for the manufacture of nylon monomer castings with the technical and financial collaboration of Nylacast Systems, U.K. The project cost Rs.7.50 crores, for which the company plans to enter the capital market with a public issue towards mid-1989.

Sipta Coated Steels is undertaking a major expansion-cum-diversification programme at a cost outlay of Rs.105 crores. Besides increasing the production capacity of galvanised sheets, the company also proposes to manufacture other organic and inorganic coated products.

Crompton Greaves has clinched an export order worth Rs.31 lakhs for supplying computers to the Moscow-based Soviet Association for Business Promotion with India.

Nagpur Alloy Castings has touched Rs.11.43 crores of turnover on a 45 per cent increased production at 11,500 tonnes for the 12 month period ended 31 December 1988. In view of the company's improved performance, a 15 per cent interim dividend has been declared. The company's financial year ends on 31 March 1989.

Usha Rectifiers has signed a joint venture with Marconi Electronic Devices Ltd (MEDL), UK, for manufacture of hybrid circuits, which is a 100 per cent import substitute item. MEDL has agreed to join hands with a 40:60 per cent equity participation.

Core Parenterals, which manufactures intravenous solutions with technology imported from West Germany and Sweden, has clinched bulk orders from defence, large public sector undertakings and various large hospitals. The company commenced production in March 1988 and expects to achieve a turnover of Rs.250 lakhs with a gross profit of Rs.45 lakhs for the first year ended 31 March 1989.

Ganesh Benzoplast, the flagship of the Ganesh group which manufactures benzoplast plasticisers, is doing well. The turnover is expected to cross Rs.4 crores with a net profit of Rs.60 lakhs for the year ended March 1989. A maiden dividend could be expected.

Gujarat Narmada Auto, a subsidiary of GNFC, has entered the international market with exports of its 150 Prince scooters to Bangladesh. The company is now negotiating with countries in Asia, Africa and West Asia for more orders.

Maple Circuits, a member of RPG Enterprises is setting up a project to manufacture a range of professional grade glass epoxy printed circuit boards. The project cost is estimated at Rs.10.93 crores with the technical collaboration of WUS Printed Circuit Co, Taiwan. The project will be financed by an equity issue, term loans and central subsidy.

Flo-Tech Welding and Cutting Systems has set up a joint venture in collaboration with L-Tech Welding and Cutting Systems of the US for the manufacture of welding equipment, air plasma and plasma cutting and gauging equipment. The company has a plant at Pimpri, Pune. L-Tech will hold 40 per cent equity in the company.

Shri Ishar Alloy Steel is embarking upon a modernisation-cum-expansion programme estimated to cost Rs.24 crores. A new steel making unit will use a 30 MT ultra-high power furnace from Brown Boveri Corporation of Switzerland, a metal refining process from Mannesmann Demag of West Germany, and three strand continuous casting machines from Concast AG Zurich, also of Switzerland.

ANYONE CAN ENTICE YOU WITH THE 'BODY'...

BUT WHEN IT COMES TO TOTAL RELIABILITY IT'S THE 'BRAINS' THAT COUNT.

When it comes to push button telephones (PBTs), the marketplace is crowded nowadays with a lot of me-toos. But beware ... before you buy make sure what's inside.

Because it takes minimal time, effort and money to invest in making a casings only, for these PBTs. That's what many are doing.

But not GCEL. We have many years of sound experience in telecommunications and a proven track record in professional electronics. That's why PBTs made by GCEL stand head and shoulders above the rest.

GCEL – the Company that actually manufactures the critical components in its PBTs. Like the microprocessor, which is the heart of the PBT. And the piezoceramic transducer, which is the ear and mouth. Both of which are manufactured in GCEL's own factories.

Every PBT is designed to Siemens' international standards. And built to meet other licensees of Siemens as per standards set in West Germany.

Every PBT is 100% tested by sophisticated testing equipment, that GCEL possesses.

Every set ensures millions of fail safe operations ... decades of reliable service ...

Making GCEL PBTs not only more reliable but streets ahead in terms of quality and performance.

Reason enough for GCEL bagging the lion's share of a 4 lakh PBT tender floated by Maharashtra Telephone Nigam, in the face of stiff competition from 25 other companies. And, for the 'Director' and 'President' PBTs to be referred to as industry norms today.

Special features offered by the 'Director' PBT

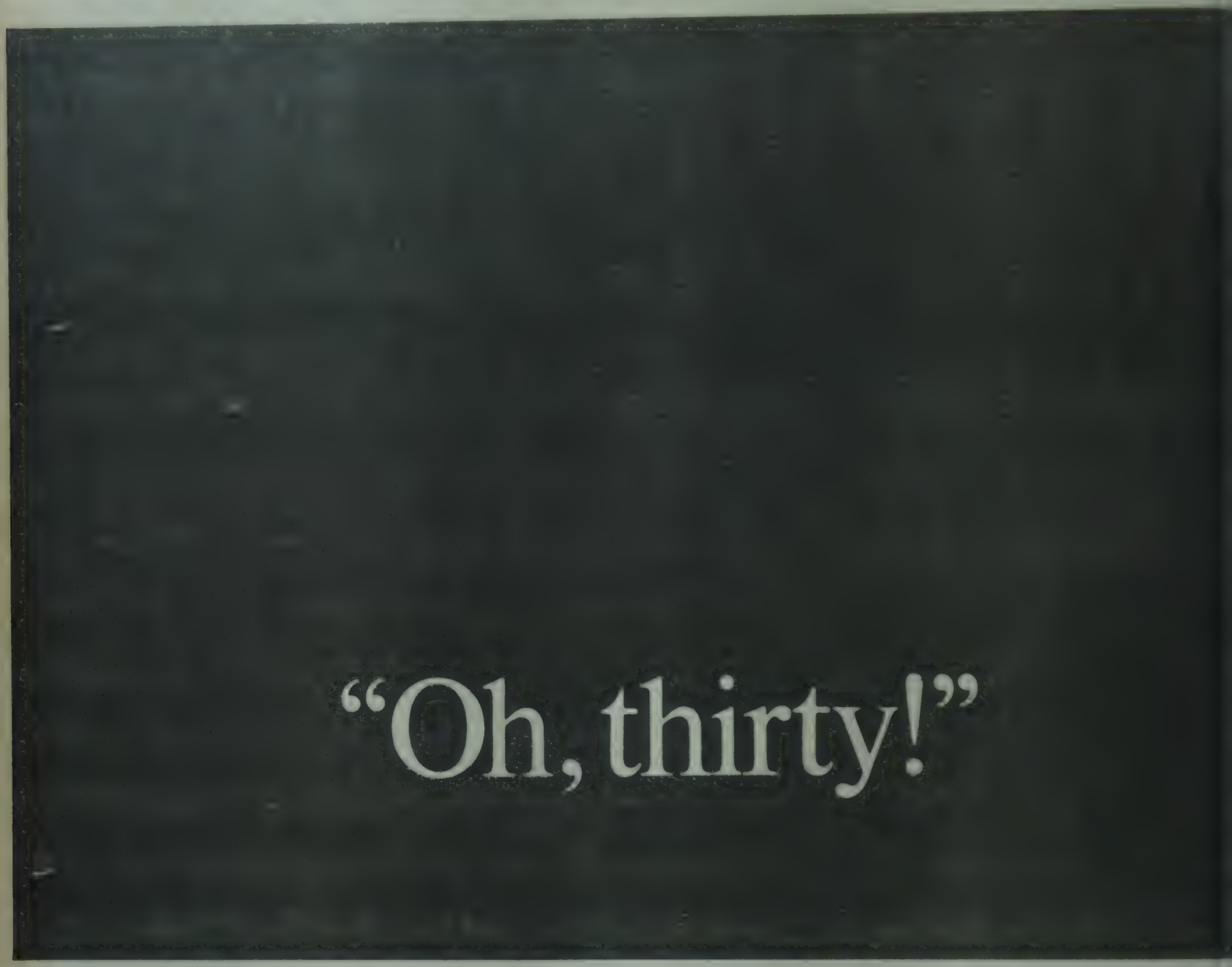
Fully electronic piezoceramic transducer for receiver, transmitter, ringer. Single board integrated ringing, dial, speech circuits. Choice of two signalling methods to suit different switching systems. And more...

Because all the special features offered by these PBTs add up to 'brains' – not just a 'body', when it comes to selecting the PBT of your choice. Make it a GCEL.

GCEL

GUJARAT COMMUNICATIONS AND ELECTRONICS LIMITED
Electronics Estate, Sector 25
Gandhi Nagar-382 015 (GUJARAT)
Phone: 23625/23626

• AHMEDABAD: T.B.C.I., Phone: 466405, Telegram, Phone 26666 Trendy Marketing, Phone 470218 • BANGALORE: Mysore Electricals, Phone 63911, Telegram: Electrical, Phone 63911 • BARODA: Atul Traders, Phone 25666, 25667 • BOMBAY: Agnera Brothers, Phone 350892, Telegram: Agnera, Phone 350892 • CALCUTTA: Modern Electric Corporation, Phone 240778 • CALCUTTA: Modern Electric Corporation, Phone 240778 • HYDERABAD: Modern Electric Corporation, Phone 240778 • INDORE: Electric Industries, Phone 70930, 25078



The Wipro Series 6830V. Where the 68030 chip and UNIX discover themselves

The Motorola 'Oh thirty' chip and the UNIX System V.3 were mere acquaintances.

Until they met in a truly unique architectural environment.

In the Wipro Series 6830V.

That was because of the way Wipro used Motorola's 68030 processor.

And the things Wipro did to enhance UNIX's performance.

The 'Oh thirty' is twice as powerful a microprocessor as its predecessor. The first to support an instruction cache, a data cache and an MMU on-chip, it combines with a Harvard-style parallel bus architecture to result in increased processor throughputs.

But Wipro did more than just add a sophisticated processor to a conventional architecture.

If you take apart a Wipro 68030 computer, you'd know what we mean.

You would, for instance, discover more computers within.

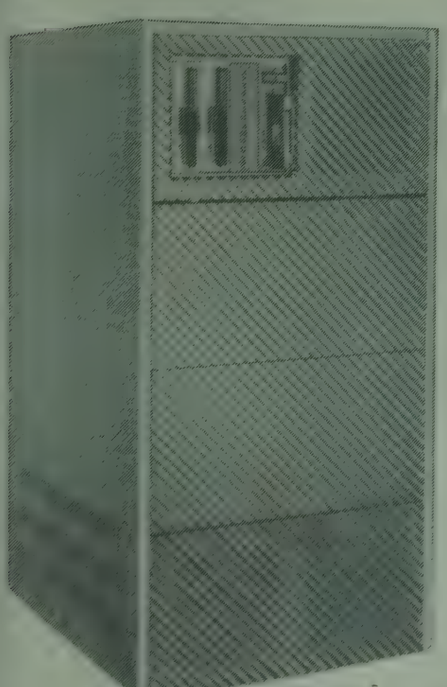
You'd find one or more devote to the task of speeding up UN file system.

You'd find a few more taking o of your terminals—so unlike a conventional UNIX machine th could absorb nearly all the CP time handling fast serial lines.

To add to all this, the system h the answer to your number-crunching applications: a new MC 68882 floating point co-processor that offers twice the performance of the MC 68881

WIPRO

"Oh, UNIX!"



Yet another architectural feat accomplished by Wipro is the UNIX implementation. An innovative design using on-board high-speed static RAM to enhance UNIX performance in multi-user applications.

And with the latest UNIX System V.3 and enhancements from Wipro, you have access to the best technical and commercial applications software available in the industry. And to a wide gamut of development tools as well.

So whatever your business, you'll find that the 'Oh thirty' spells results in the Wipro Series 6830V.

WIPRO S-6830V

The system that makes UNIX and the 'Oh thirty' bring out the best in each other.

WIPRO INFORMATION TECHNOLOGY LIMITED
88 Mahatma Gandhi Road
Bangalore 560 001
Phone : 569622

UNIX® is a registered trademark of AT & T Bell Laboratories, USA.

HTA 894

THOSE WHOM YOU RELY ON
RELY ON THE JEEP.

Guarding the nation often involves pitched battles against the combined attack of man and nature.

Which is why those whom you – and the nation – rely on, have always trusted the Mahindra Jeep.

Mahindra Jeep®

Performance you can rely on

WINNERS
GREAT DESERT HIMALAYAN RALLY - 1st & 2nd PRIZE

THERE IS NO OTHER JEEP MADE IN INDIA

)il Country 'ubular

... full range of drill pipes, production ...g and casing pipes, used as accesso... for oil exploration and production is ...ely known as oil country tubular ... The demand of these goods is cur... being met in India almost totally by ...orts. With the expected increase in ... O&GC's exploration activities in the ...th Plan, the company, Oil Country ...ular Limited (OCTL), the first such ...grated plant in India, will be able to ... about 25 per cent of the demand in ... third year of production. It then ex... to reach 90 per cent capacity util... which is the optimum production ...

...sue opens on 15 February 1989	
...me of the ...mpany	: Oil Country Tubular Ltd
...e of the ...blic issue	: Rs.11.76 crores
...Indian ...blic	: Rs.5.48 crores
...trument	: 5.46 million equity shares of Rs.10 each
...omoters	: United Steel Allied Industries, K. Suryanarayana and associates
...oject	: To manufacture 15,000 tpa drill pipes, 15,000 tpa production tubing, 25,000 tpa casing pipes in the initial stages
...st	: Rs.16 crores
...nt location	: Coimbatore, Tamil Nadu, Andhra Pradesh

...The technology comes from Baker ...es Tubular Services Inc of the US (a ...son of Baker Hughes International ... a well known manufacturer of Reed ... joints, casing and tubing connec... plastic coating for corrosion pro... etc. Baker Hughes Tubular has ...oped an onsite computerised system ...ssociate inspection of tubing called ...ad Scanalog. Under the collabora... agreement, OCTL is the first licensee ...aker Hughes to use this facility.

...ipart from collaborating in technical ..., Baker Hughes is being allotted ... worth of equity of OCTL on ... Tubos De Acero De Mexico SA. ..., a manufacturer of seamless steel tubes is the other foreign company given firm allotment to the extent of Rs.1.30 crores. In India, Canbank Mutual Fund, SBI Capital Market, and the Andhra Pradesh Industrial Development Corporation are firm allottees of Rs.3.5 crores worth of equity in aggregate.

The products will have 'deemed exports' status and OCTL, as an indigenous producer, will have 35 per cent price preference over foreign suppliers. The company has also entered into an agreement with Baker Hughes Tubular whereby the latter will market 50 per cent of OCTL's products abroad. According to Kamineni Suryanarayana, chairman and managing director, OCTL has asked to be relieved of this covenant for the first two years of production. He says, "We expect to be relieved in the first year. In the second year if we are not relieved, we plan to invest Rs.5 crores more and increase the casing capacity by 25,000 tpa and meet our commitment." The company proposes to import all the major raw materials (seamless pipes, tool joints, forging, coating material, etc) by floating global tenders. Being deemed exporters, there will not be any duty on the imports.

Civil works on the plant are complete, and almost all the machinery for manufacturing and laboratory equipment for testing are on site, and being commissioned. A majority of the plant and machinery have been imported. According to Suryanarayana, facilities for manufacture of drill pipes are ready, and development orders from ONGC are being tried out. Inspection services have already been commissioned. Trials of the balance facilities are expected to begin in April this year, and commercial production soon after. Suryanarayana expects that the company will be able to declare a 10 per cent dividend in the very first year.

Unique Oils (India)

Unique Oils (India) Ltd is an existing dividend-paying company promoted by Yogesh Khosla, a chemical engineer from IIT Kanpur. Commencing its production in December 1986, Unique Oil today is one of the three large re-refinery units in the country. It manufactures lubricating oil for automotive, industrial and household uses. In 1987-88 (year ended April) the company produced 5217 kilo litre of lube oil and its sale was Rs.4.08 crores. The net profit after tax was Rs.25.19 lakhs and the company declared a 10 per cent dividend.

Unique Oil is currently setting up a new plant for drum reconditioning. It will buy balancing equipment to enhance its re-refining capacity. The cost of the new project has been estimated at Rs.1.35 crores, to be part financed by the equity issue (for Rs.90 lakhs) and the rest (Rs.45 lakhs) from SBI as term loan. According to Yogesh Khosla, wholetime director, the company plans to sell more of its products in smaller packs instead of bulk as the margins in smaller packs is greater. He sees good prospects ahead because the market is good.

Issue opens on 23 February 1989	
Name of the company	: Unique Oils (India) Ltd.
Size of issue	: Equity shares of Rs.10 each for cash at par
Promoters	: L.C. Khosla's family
Product	: Manufacturing lubricating oil by re-refining waste oil
Plant location	: Tarapur, Maharashtra

For its existing manufacturing activities, the company has a technical collaborator agreement with Bernd Meinken of West Germany, who have developed the process, known all over the world as Meinken Technology. The agreement also provides for ongoing assistance in upgrading the process and blending technology during the currency of the agreement.

In terms of technical collaboration agreement the company has been supplied with the process knowhow, detailed equipment specifications and drawings for all equipments, bleaching formulations and detailed process flow chart and plant layout drawing along with consultancy service in implementing the project.

The objects of the present issue are to enable listing of the company's shares on the stock exchanges and to finance a part of the cost of diversification project, to install balancing equipment, to augment the working capital resources, to acquire research and development equipment and also to meet the expense of this ...

A 3-Day National Conference on Facilitating Environment For Investment & Technology

March 10-12,1989, Friday, Saturday, Sunday at Taj Mansingh, New Delhi

The Conference will attempt an objective evaluation of the Indian environment for international capital and technology transfer, in the belief that the exploitation of India's tremendous potential and the country's economic and industrial development could be accelerated by further direct foreign investment and infusion of appropriate technology.

The Conference will provide an excellent opportunity for industrial leaders, professional experts and government policy makers to meet with their peers from India and other countries so that, together, they could participate in developing an action plan for further improvement in the environment which has already been significantly liberalised by recent Government measures.

The Conference is actively supported by international agencies such as the ADB, IFC, OPIC, UNDP, USAID and World Bank.

Arrangements have been made at the Conference venue - the Taj Mahal Hotel, Mansingh Road, New Delhi - to cater to the requirements of high level delegates who are expected to participate from India and other countries such as the USA, Europe, the SAARC and Asia Pacific region.

The Conference will have 5 business sessions • Economic Environment • Technology and Development – Global Interdependence • Resources for Development • Impediments and Opportunities • Action Plan.

For registration contact
Secretary General

Indo-American Chamber of Commerce
Vulcan Insurance Building, Veer Nariman Road,
Bombay 400 020. Tel: 221413/221455 Tlx: 011-3897 IACC

For technical details contact
Director General
NATCON '89 Conference Secretariat
Taj Mahal Hotel, Mansingh Road, New Delhi 110 011
Tel: 3016162 Tlx: 031-66874/031-4758 TAJD IN Fax: 301 7209

Courtesy: M.N. DASTUR & Co., CALCUTTA

-WS DATTA& 89

ACCURACY AND RUGGEDNESS ARE BUILT-IN QUALITIES OF

Shanthi

WORM AND HELICAL REDUCTION GEAR BOXES OF WIDE RANGE

Shanthi GEARS LIMITED, BHEL TRICHY
PHONE: 32421 (5 LINES) TELEX: 0953-375 GEAR IN, 0955-302 SALE IN GRAMS: "SHANTHIGEAR"
REGIONAL OFFICES: MUMBAI, U.P., BANGALORE, CALCUTTA, AHMEDABAD, PUNE, NAGPUR, HYDERABAD
AGENTS/BUSINESS REPRESENTATIVES AT: NEW DELHI, CALCUTTA, AHMEDABAD, PUNE, NAGPUR, HYDERABAD, MADURAI, TRICHY, TIRUNELVELI, COCHIN, TRICHUR.

re-budget blues

...the period 20 January to 11 Feb...
...ber 1987)

...6.5 per cent

...further on 10 February –
...up 0.5 per cent.

...Tuesmen Average for week
...February = 62.4 points, down
...per cent.

...ecovered in the last few
...This is because until recently
...ed by speculative activity, but
...ental considerations – after all
...ading to higher rural incomes
...This has a peculiar effect on
...ities in falling markets that is
...ational significance of the
...

...ocks were mostly down, some
...ment to buy back and with other a
...ular seasonality factors
...ng to be a bit dull a
...ssures on the equity market
...ther sectors are also falling and
...ers are also not willing
...ers are also not willing to buy
...ers are also not willing to buy
...ers are also not willing to buy

growth. They also have a difficult foreign currency reserve position to deal with

Meanwhile, corporate profits have been excellent of late, and should continue to be so. In such an unpredictable situation, investors in stockmarkets are probably justified in choosing to wait nervously for uncertainties to unfold before they invest. Meanwhile, speculators are likely to continue being short sold, hoping that overall market declines will more than offset the disadvantage of being squeezed in isolated good performance stocks.

■ RAFIQ DOSSANI

BSE

Computers to the rescue

"The technology that we are going to introduce in the next 18-24 months at the Bombay stock exchange (BSE) will be on a par with the exchanges in New York and London," proclaims M.R. Mayya, the self-effacing executive director of the BSE. In the last week of December, the board approved an estimated Rs.10-12 crore computerisation plan, which has been submitted to the stock exchanges division, ministry of finance, New Delhi. This is the first step towards forming a national market which involves on-line processing of daily trades.

Absolute necessity. Indeed, the plan to computerise if approved and adopted, would lighten the increasing burden that the BSE administration has been buckling under, in the past 18-20 months. For the BSE, computerisation is not just a productivity tool — it is an absolute necessity. They deal with about 25,000 trades every day and peak loads go up to 60,000 trades. This means that a mind-boggling 120,000 sales and purchase transactions have to be processed. In ten years, daily turnover has increased from Rs.5 crores to over Rs.100 crores. The per hour intensity of deals is 30,000 in Bombay, which has a two hour trading session against a six-and-a-half hour session in London. And with more investors being attracted to the market, this figure will increase by leaps and bounds. According to Mahendra Kampani, the former president of the BSE and the man who has wisely pushed for computerisation, "If the efficiency of the stock exchange increases, then, naturally, the volume of the trade will increase. We will be able to cater to many more investors."

BSE: going high-tech

When the BSE is computerised it will be very different from the BSE today. The present system of functioning involves only partial computerisation — the day's trades are processed in a batch after the end of the trading session. The computer matches all the sales transactions to the purchase transactions and draws up a list of unmatched transactions. It also finalises a list of the day's transactions for each broker — this list is handed over the next day. The unmatched transactions, however, which constitute about 30 to 40 per cent of the total trade, take up a lot of time and effort in verification from the brokers concerned and the eventual correction of mistakes.

Passive role. There are a number of disadvantages in this system. For one, the final settlement and delivery is delayed by 6-7 days while all the unmatched transactions are verified. Also, the brokers get the information on the day's trading only the next day. But, the most important disadvantage is that the stock exchange has to take a passive role. Says R.R. Nair, general manager (data processing), "The BSE authorities should be on top of the market at all times. But as of now, by the time the data is analysed and the market trends are known, its too late to stop trading or take any other action."

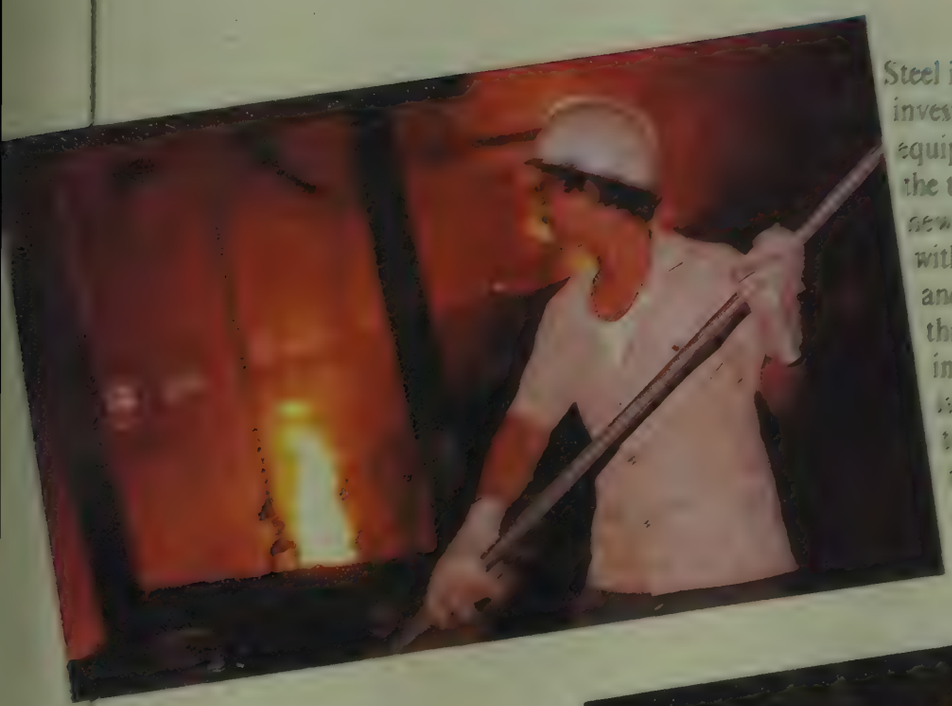
The BSE is planning to change all this. The new system will involve filling in trade tickets for each transaction, which will be entered into the computer and processed on-line. What this means is that at any point of time, the BSE will have a complete picture of the market. "We can build an early warning system into the processing. Excessive trading or unhealthy trends will be highlighted immediately and the BSE can take appropriate action," says Nair. Also, each trade will be entered as a single transaction and unmatched transactions thus will be eliminated, leading to quicker settlements.

The brokers will have a bonus facility — their offices will be automated and the information on the day's trade will simply be downloaded, through communication lines, to the PC on the brokers' desk. The brokers will also be allowed access to the BSE's databanks.

There is, however, a certain amount of opposition to the proposed new system. Sources says that brokers and jobbers who make their money on account of the inaccuracies of the system, will object to the total computerisation process. This section accounts for about 12 to 15 per cent of BSE's members. Says Parag Pakh, a BSE member, "Computerisation

In people we trust and invest

That's Management with a human face



Steel is not SAIL's only mettle. Alongwith the investment on the modernisation of its equipment, it is updating its people too. With the trust that they have the talent to respond to new challenges. Since skills have to catch up with technology. Restructuring the approach and attitude into a vibrant work ethos. All through self-analysis, motivation and openness in communication. Resolving outstanding issues with reasoned solutions. Above all, treating employees with concern and customers with care.

People are our measure of excellence

STEEL AUTHORITY OF INDIA LIMITED

A LEADER STILL TAKING THE LEAD

will eliminate the opportunities for illegal transactions." He also feels that the jobbers section will be badly hit by the project. "The next step will be the advent of screen transactions (or buying and selling directly on the computer). This will, to some extent, make the jobbers dispensable." According to Nair, 100 per cent support for the idea is too much to expect. "If even 75 per cent of the brokers are with us, we will be happy."

First phase. The BSE has already started work on the project. For the mainframe computer, they have selected the Tandem system. Software will be developed by Tata Consultancy Services. The deadline for the first phase of the project has been fixed — June 1990. By then, BSE plans to have all the equipment installed and working, all brokers' offices automated and real time processing of trades. "The system should be able to take peak loads of up to 100,000 trades," says Nair. Phase II will be next — instantaneous upgrading of the brokers' settlement position. The system will be designed to handle delivery of securities and payment at any point of time in the settlement period. "We might even go in for a seven-day settlement period," says Nair.

Indeed, as BSE's plans become more concrete, there will be a minor revolution in the functioning of the stockmarkets in India. Other stock exchanges are bound to follow the path of computerisation. The major stock exchanges could start catering to investors from surrounding regions, by using computer links. Surely, the national market is not far off?

■ GAYATRI BHANDARKAR

GANESH ANHYDRIDE

NRIs queer the pitch

In a curious development, two NRI promoters of Ganesh Anhydride Ltd (GAL) walked out of the project barely a few days after its public offer of equity was oversubscribed by five times. Ashok S. Padia, and Yogendra N. Sarin, two highly qualified and experienced engineers from Scientific Design Co. (SDC), USA — who have been involved in putting up 20 maleic anhydride plants all over the world — sent cryptic resignation letters to the three merchant bankers, SBI Capital Markets, Canbank Financial Services and ICICI (which are the leading term lending institutions), stating that they had washed their hands of the project. This was because of their inability to make satisfactory arrangements with the Indian partners for the implementation of the project as well as a dispute on the day-to-day management of the company.

Padhia (left) and Sarin: a hurried exit

Sudden demands. Differences between the Indian promoters, Ramesh Pilani and family, and the two NRIs are believed to have surfaced at a breakfast meeting only a day before the Rs.1.82 crore equity issue opened to the Indian public on 31 January 1989. The NRIs are said to have demanded that Sarin should be the managing director; there should be equal voting rights for both sides; the auditor of the company should be a Sarin appointee; and Ramesh Modi and P.B. Modi, brother-in-law and father-in-law of Padia, should be appointed directors in place of N.P. Chhabria and P.N. Nanavati. This took Ramesh Pilani, a former college mate of Padia, completely by surprise. Comments an associate of Pilani, "These points were raised after signing of the prospectus and not before — which seemed very odd to us."

On 4 February, both Padia and Sarin hastily left India to resume duty with their employers SDC in New Jersey, USA, leaving the Indian promoters and the institutions in a flap. The immediate reaction in a section of the press was that GAL had taken the investors for a ride. *The Indian Express* (Bombay edition) dated 10 February stated, "It is surprising that the differences of opinion arose only after the public subscription closed. Investors who applied for the shares, unaware of the behind-the-scenes infighting, are thoroughly shaken that such a thing could take place."

In a telephonic conversation with *Business India*, Padia said that "he and Sarin got so vigorously involved in the project that they had not set the rules beforehand." He admits that "it was an unbusinesslike dealing," that "on hindsight it was not a mistake", that "these things happen, but the only odd thing was that it came at the time that it did" (after the public issue closed).

Where does this leave GAL? According to the prospectus, the company has tied up with SDC, USA, to supply the technical knowhow. This is subject to RBI approval. Padia confirms that the agreement was always between GAL and SDC "and it remains intact" regardless of the NRI promoters' status. "If I am asked to set up this project by my company, I will not hesitate to do so. I am a professional and would not allow subjective matters to come in the way," he says.

Institutions' stand. To that extent Pilani's view that "the withdrawal of the NRI promoters will in no way affect the position of the company" is in order. As for the financial institutions, although they may have sanctioned a loan (Rs.15.45 crores) to GAL, a spokesman of the institutions emphatically states that "no loan agreement is operative till all the conditions are complied with by the promoters".

It is interesting to note that the Indian promoters had applied to ICICI for assistance in August 1988. The proposal was turned down because of the lack of technical support. In mid-November, however, the proposal was approved after SDC agreed to give technical assistance.

In a rare gesture, the company under the listing guidelines of the stock exchange has issued a public notice informing that Padia and Sarin have submitted their resignations on 10 February which were accepted by the board. The notice goes on to state that "the Indian promoters, namely the Ganesh Group stand by their statements and commitments made by them in the prospectus dated 5 January 1989, and the above changes in the board will not materially alter the implementation or the financial status of the company... Notwithstanding this, if any investor still desires to withdraw the application for subscribing to the equity shares in the company they may write to the company or the registrars to the issue... on or before 25 February."

By this pre-emptive gesture the odd are that there may not be a run on the shareholders' capital. Meanwhile, the ICICI is undertaking a project reappraisal because of the changed circumstances.

■ BASUDEV DAS
with LANCELOT JOSEPH

Now Solenoid Valves get the ASCO seal of quality!

ASCO assures you high quality valves as it commences production in India.

ASCO INDIA's modern plant at Karapakkam near Madras is now in full swing. Producing quality Solenoid Valves to the stringent specifications laid down by ASCO, USA, its technical and financial collaborator, the world famous manufacturer with a century of proven experience.

Advantages of ASCO Valves at a glance

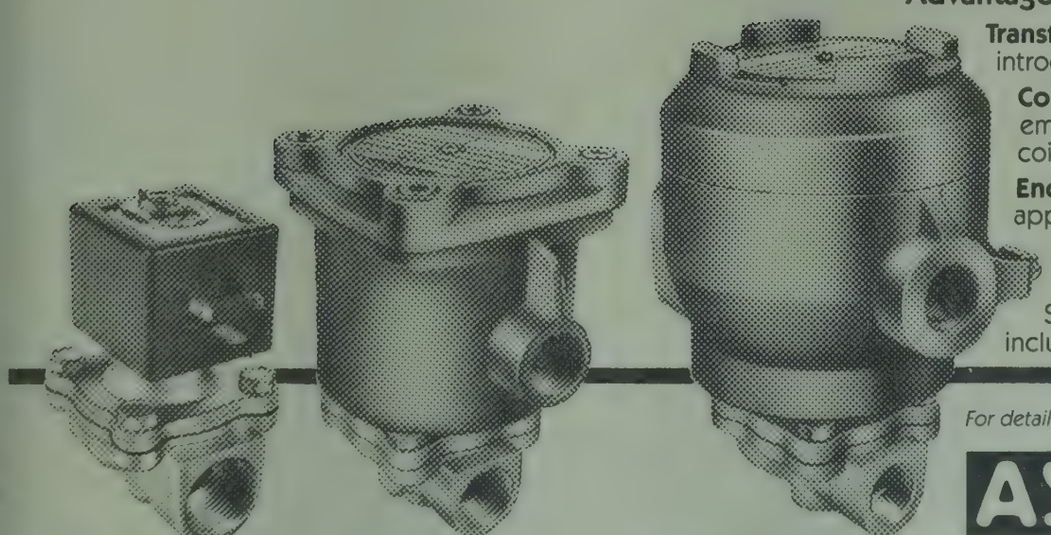
Transfer moulded coils — introduced for the first time in India.

Coil terminations — options of embedded screw terminal; spade coil; flying leads.

Enclosures — as per internationally approved designs, i.e. IP 65, IS 2147, 2148 (Gas Groups IIA, IIB, IIC).

Insulation — up to Class H.

Special materials for internals, including seats.



Available in a wide range — to suit every conceivable application. All backed up by after-sales service — provided by ASCO's specially-trained engineers.

For details, contact:

ASCO

ASCO (India) Limited
147 Karapakkam Village
Madras 600 096

R K SWAMY/AIL/6656

Company	Cover	Volume	Mkt	Share	Price	52wk		Net	Net chg	Yld	P/E	Vol	Mkt	Trade	Market
Name (abbr)	Symbol	Div %	(m)	value	12.2.88	High	Low	Price	Amt p	Gross	Ratio	100s	Cap	Date	Make
				£m									£m		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Company	Cover	Volume	Mkt	Share	Price	52wk		Net	Net chg	Yld	P/E	Vol	Mkt	Trade	Market
Name (abbr)	Symbol	Div %	(m)	value	12.2.88	High	Low	Price	Amt p	Gross	Ratio	100s	Cap	Date	Make
				£m									£m		
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Note: EPS: Data represents the earnings after tax for the full year divided by the number of shares outstanding. CPS: net year after tax earnings per shares for six months taking into account announced next yearly profits. PE: ratio of market price to after tax per share. Yield: dividend as a percentage of market price.

Company	Face Value	Market lot	Type	Rate %	Size Rs lacs	Price Rs	Date	Yield %	Interest due date	Redemption date	Prem pmnts
ASEA	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ASHOK LEYA	64	5	NCD	13.5	521.0	55.00	30 11 88	15.71	31.3.89	3 4 96	[illegible]
ASHOK LEY.B	64	5	NCD	13.5	1043.0	55.00	05 12 88	15.71	31.8.89	3 4 96	[illegible]
ASHOK LEYA	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ATASH IND	75	10	CD	15.0	300.0	55.00	10 02 89	20.45	31.8.91.7	17 3 94	[illegible]
BAJAJ AUTO	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BIRLA JUTE	200	5	NCD	13.5	990.0	165.00	20 12 88	16.36	30.9.91.3	7 2 96	[illegible]
BLUE BLEND	200	10	NCD	13.5	625.0	95.00	08 02 89	28.42	31.1.90.6	4 11 96	[illegible]
CENT. DIST	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CH. BOOKS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DUNLOP	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E.I.HOTELS	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ELECON ENG	45	5	NCD	13.5	247.0	38.00	02 02 89	15.09	30.6.91.12	[illegible]	[illegible]
ESSAR STEE	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FCI	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FERRO ALLOY	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FORBES	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GARDEN SILK	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GRASIM IND	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GUJ ALKALI	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HIND FERODO	100	5	CD	13.5	206.0	80.00	09 02 89	16.88	30.6.91.12	14 12 92	13 12 89
HOECHST	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.T.C.	500	1	NCD	15.0	500.0	510.00	10 02 89	14.71	1.7	30.6.90	11 8 89
IND HOTEL	75	10	NCD	13.5	1123.0	69.50	08 02 89	14.57	1.4.1.10	26 4 92	22 3 89
IND HOTEL	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IND RAYON	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IND RAYON	112	5	NCD	13.5	1668.0	102.50	08.02.89	14.75	30.6	18.2.96	10 6 89
I.R. SYNTH	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JINDAL STR	100	10	NCD	15.0	600.0	88.00	08 02 89	17.05	30.6.91.12	14 4 94	15 12 89
KALY STEEL	100	5	NCD	15.0	67.0	105.00	05 12 88	14.29	30.6.91.12	7 6.91	19 6 89
KESORAM	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KLOCKNER	[illegible]	[illegible]	CD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KOTH FOOD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
L & T RTC	60	5	CD	13.5	360.0	55.00	09.02.89	14.73	1.1.1.7	30 6 90	10 12 89
LAXME	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LML	[illegible]	[illegible]	CD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
LYKA LABS	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MAY & BAKER	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
MAZDA IND	100	10	NCD	13.5	625.0	75.00	10 02 89	18.00	1.4.1.10	5 4 92	6 8 89
MUKAND	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PRESTIGE FOOD	[illegible]	[illegible]	CD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RAYMOND WOOL	400	1	CD	12.0	480.0	350.00	09 12 88	13.71	31.3.90.9	30 6 89	[illegible]
RAYMOND WOOL	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
REL F CUM	100	10	NCD	15.0	3000.0	155.00	10 02 89	9.68		30 9 95	31 1 89
RELIANCE E	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RELIANCE F	100	10	NCD	15.0	27000.0	103.00	09 02 89	14.56	30.2.91.8	30 9 95	[illegible]
SANDOZ	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
STPFLAGS	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TATA PRESS	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TATA STEEL	200	5	NCD	13.5	2011.0	200.00	10 02 89	13.50	1.4.1.10	1 3 92	[illegible]
TATA TXSYS	[illegible]	[illegible]	CD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TITAN WATCH	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TRANSPORT CO	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TTK PRAGM	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TWENTIETH	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UNIPLOY	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UNY LUGGAGE	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
VISA MARTIN	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
V.I.P. IND	100	10	NCD	15.0	960.0	82.50	10 02 89	18.18	31.1.91	[illegible]	[illegible]
WABCO IND	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WIMCO	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WOCKHA	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WORTH	[illegible]	[illegible]	NCD	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Note: CD: convertible debenture, NCD: non-convertible debenture including debentures that were earlier partially convertible for which the conversion is over.

Premium yield is calculated on a pre-tax basis without adjusting premium into computation. This can make a significant difference in actual return.

The fact that the debenture market is generally active can be surmised from the dates of last business done. Hence readers are advised to seek suitable professional advice before deciding.

All care is taken to ensure accurate and up-to-date information.

KEEP TRACK OF EVERY CALL

Local STD and ISD. To know which number was dialled. On which day. At what time. For how long. And how much it cost. With an accurate, instant print-out of the billing. Organise the STD facility on selected routes and hours on the lines. Record when the line was out of order. And a lot more.

PC Based Telephone Call Management System also available (Optional)

INTELITRAC

A symbol of cost awareness

Manufactured and Marketed by

Anjaleem Enterprises Pvt. Ltd.

101 B.N. Chambers R.C. Dutt Road Vadodara 390 005 Ph: 323526, 324367

AUTHORISED DEALERS

[illegible]

41/2189/FV/ADS

UNISTAR.
Means soaring progress.

he versatile cable. UNISTAR

PEX Power Cable LT/HT/EHT • Flamuni Cable FRLS/FS/HF. • PILC Cable MIND/ aining. • PVC Power and Control Cables • Elevator Cable PVC/Rubber • Railway gnalling and Loco Cables • Aircraft Wiring/Air Field Lighting Cables • Mining bles Fixed and Trailing • High Temp. Cable Silicone/Fluoroplastic • Oil ploration Cables (Rig and Data-Logging) • Welding Cables GP & HR • Ship Wiring ble • Nuclear Radiation Resistant Cable • DC HV Cable Precipitator/X-Ray • High equency Cables Audio/Video/RF/Cable TV, Microwave • Multi Pair Screened strumentation/Data Cable.

AMA-UC-364 X

UNISTAR CABLES AND CAPACITORS

The all pervading element in industries.

NIVERSAL CABLES LIMITED P.O. Birla Vidya, Satna-485 005 (M.P.) Tel. 2742, 2743 & 2708 Telex No. 0766-202 UCL IN

EAT Industry House, Churchgate Reclamation, bay 400 020. 6345, 201 3170 011-3652 BRLA IN 0002, 201 7854

CALCUTTA: 27 B Camac Street, Calcutta 700 016 Tel. 444351, 446198 Telex 021-7623 BMCO IN

NEW DELHI: UCO Bank Bldg. Parliament Street New Delhi 110 001. Tel. 384851, 389756 Telex 031-62646, 031-62598

BANGALORE: 5, Palace Cross Road, Bangalore-560 020. Tel. 362674, 368179 Telex 0845-2653

MADRAS: 20 Greams Road, 1st Floor, P.B. No. 737, Madras 600 006 Tel. 472427, 477551 Telex 041-8428

198
12.6 % Vol

TO HELP YOU UNDERSTAND HOW HCL MAKES BETTER COMPUTERS

Master winemakers are expert at a process called porting: the art of pouring out wine from a cask.

It's a delicate art, mastered by only a few.

Done perfectly, it captures the full flavour and body of the wine. But if it's done badly, the wine is spoiled for ever.

'Porting' into computer hardware.

Porting lends its name to a similar process in computer technology: the art of 'pouring' Unix into a computer to form its operating system.

Unix is sold to computer manufacturers by AT&T, in the form of a source code. This code has to be trimmed, tailored and tucked in to fit the hardware design of each particular machine.

Good porting or bad porting shows: the same hardware can perform like a turbo-charged sports car, or like an ageing steam engine.

And this art, too, has been mastered by a chosen few.

HCL: one of the 35 world experts in porting.

Of the thousands of computer manufacturers around the world, only 35 have the skill to do their own porting.

HCL is one of them. As a result, HCL fully understands every little intricacy of Unix. And can quickly solve customer problems locally. Unlike other manufacturers, who have to go abroad for solutions.

In fact, no other Indian company can match HCL's Unix expertise. (We call it Unixpertise.)

No one in India knows Unix better.

HCL was the first Indian company to start research work on Unix. This was when even international computer manufacturers were unsure about the future of this operating system.

Today, HCL's software engineers have spent over ten million man-hours with Unix. And got to know it so well, they've improved it in many ways AT&T hadn't thought of.

Resulting in faster processing speeds, easier operations and better communications with other computers.

Unix made-to-order.

Only HCL has tailor-made Unix for a range of computers: single processor machines, tightly-coupled multi-processing systems, parallel processing systems and now fault tolerant systems.

Whether your need is data processing, on-line transaction processing or scientific calculations, HCL can give you a Unix computer that suits your particular environment and application best.

With no compromise whatsoever.

2001: A Unix Odyssey.

Unix is the operating system of the future. All major software development today takes into account a future Unix environment.

And no one is better equipped to meet the future than HCL.

HCL has ported Unix on to a range of Intel and Motorola chips. (Including the world's first port on to Motorola's latest and most powerful chip, the MC 68030.)

We have the expertise to deliver the most powerful Unix on chips that will power the computers of the future. In addition, we'll offer you upgrades to the latest versions of Unix, as soon as they're made available internationally. As we've always done in the past.

You can't go wrong choosing HCL's Unix computers.

They'll always be of vintage quality.

Unixpertise

THE ART OF MAKING BETTER COMPUTERS

COMPUTER DIVISION
HCL
LIMITED

To find out more about HCL's Unixpertise, please write to The Product Manager, HCL Limited, "Computer Division, 850 Sidhanta Building, 36 Nehru Place, New Delhi 110 019.

UNIX is a registered trade mark of AT&T.

Trikaya Grey HCL 6 89

High hopes don't help

We're winnerless again.

Predicting a decline in prices is as important as anticipating a rise. But most Indian investors tend to be over-optimistic. And so, for the second time in a row, our contestants have moved in the wrong direction — nobody's hit the jackpot for Investor Contest No. 283.

How to enter
On the entry form given below are listed six popular scrips. All you have to do is to use your skills to predict the prices of each of these shares as on 10 March 1989, and send in your entry by 28 February 1989. The winner in accordance with the rules printed below, will get a prize of Rs.5,000. In the event there is no winner, the prize will not be carried over.

Every issue of **Business India** will contain a new contest. The entry which has all six correct answers will receive a prize of Rs.5,000. If no such entry is received, the entry which has 5 out of 6 correct answers will receive the prize. In the event of there being more than one winner, the prize will be shared equally. We repeat, if there are no winners, the prize money will not be carried forward.

Rules:

1 There is no entry fee.

2 The list has been selected on the basis of what we consider are actively traded and interesting scrips on Indian stockmarkets.

3 The price mentioned last in the official quotation list of the stock exchange (if there is a series of such prices against the name of the share) will be taken as the correct answer. The official list of the particular stock exchange, which will be referred to, is given against the name of each scrip. If for some reason the stockmarket is either closed on 10 March 1989, or there are no transactions for the six scrips chosen below, then the quotations for the nearest working day prior to 10 March 1989, will be used.

4 Variation from the correct answers are permitted within a range that is specified against the scrip.

5 Entries must be on the printed form given below. Any other entries will be disqualified.

6 Only one entry will be permitted per form.

7 Envelopes sent in should be marked Investor Contest. All entries must be received at **Business India**, Wadia Building, 17-19 Dalal Street, Bombay 400 001, by 5 pm, Tuesday, 28 February 1989.

8 **Business India** is not responsible for non-receipt of entries.

9 **Business India's** decision on the winning entries will be final and binding, and no correspondence in this regard will be entertained.

10 The contest is open to residents of India only. No employee (or any direct relation of any employee) of **the Business India group of publications** is entitled to enter the contest.

Name of scrip	Stockmarket official list to be used for comparing results	Prices as on Friday, 10 February 1989 (Rs)	Variations permitted from correct prices up to (Rs)	Prices as on Friday, 10 March 1989 (Please fill) (Rs)
Century Textiles	Bombay	1,522.50	5.00	
Gammon	Bombay	190.00	4.00	
GSFC	Bombay	132.50	2.00	
Hind. Aluminium	Bombay	171.50	2.00	
SKF	Bombay	2,260.00	8.00	
ITLCO	Bombay	752.50	3.00	

Name: _____

Address: _____

_____

_____

_____

_____

Age: _____

Profession: _____

Date: _____

IC 284

Your executives can now fly to work. At ground level.

Presenting the luxury of the new Tempo-Traveller

mpo-Traveller is the new ecutive perk

t offers senior personnel the ifort and status that ordinary ipany buses can never ch – and a car-pool could er give.

A spacious interior offers the ry of upto 15 ergonomically gned seats and large, airy dows.

There's ample room for gage. And a high curved roof ws for greater freedom of ement.

And it has been specially built rdian roads by Bajaj Tempo – ollaboration with Daimler Benz, creators of the classic Mercedes e.

As cost-conscious as it is status-conscious

The new Tempo-Traveller is equipped with the advanced 72 BHP Mercedes OM 616 diesel engine, which functions like a built-in accountant. It stretches your company's every rupee – delivering the highest level of fuel economy with the lowest level of noise.

The Tempo-Traveller even minimises other maintenance costs. Spares are cheaper and more readily available. And regular service is close at hand. Because you are backed by the 150 experienced dealers established by Bajaj Tempo over a period of 25 years.

So before you stake business capital on company buses or corporate cars, give the new Tempo-Traveller serious thought.

And let your executives 'arrive in better shape'.

Bajaj Tempo Ltd.

e new Tempo-Traveller.
ywhere else, they'd call it a Mercedes Transporter.

SENSATIONAL

Cool & Quiet Profile

Sealed cavities.EPDM gaskets and an effective glazing unit keep noise, heat and dust infiltration at its minimum. Ideal for airconditioned areas.

Hi-Fashion Profile

Profile is modern and elegant. Contemporary designs blended with traditional care.

Water-Resistant Profile

The double sealing and built-in drainage system do not let the rainwater come through. Profile is unaffected by water, salts, acids, alkalis, humidity and all other atmospheric pollutants.

Tough Profile

Its high impact base material, zinc galvanised steel insert and highly effective multi point locking mechanism offer maximum durability and security. It is fire resistant too.

Art Beat/SF/154/88

Distributors: **Ahmedabad**: KARTIK PATEL, 11, Nathalal Society "Kunwar Bhawan", 14. Ph. 442180. **Bombay**: STAR ENTERPRISES, 302, [illegible] Tarwala Jarry Road Source. Ph. (Off.) 61[illegible] (Res.) [illegible]. SOUTHERN AGENCIES, Flat No. 105, Hi-Line Complex, Road No. 12, Banjara Hills. Ph. (Off.) 229145, (Res.) 227422. **Kanpur**: LAXMI ENTERPRISES, Vivek Canara Building I. Ph. 210640, 210644. **Madras**: SOUTHERN AGENCIES. Ph. No. 2 [illegible] Colony, Nugambakkam-34. Ph. 473340, 444401. **Meerut**: FOAM TRADING CO., 184, Abu Lane 2. **Patna**: BIHAR COMMERCIAL CORP. S.P. Verma Road. Ph. 2301[illegible]

PROFILES

Care-Free Profile

Maintenance free & ever fabulous. Once installed, Profile's stylish elegance is timeless, lasting, beautiful, lasting, lasting, lasting

Something to sing about at Singapore...

Steel Tubes of Singapore
The Indo-Japanese venture
Is a classic success
A triumphant adventure

It's Indian technology
With Japanese partnership
That's done so well
Has the world in its grip

The only Indian promoted venture
Though the going was rough
To fare remarkably well
In international markets so tough

Excellence extraordinary
The reason for its success
The best of steel tubes
Every buyer says "yes"!!

Indian technology and experience –
International integration
and success.

Steel Tubes of Singapore Pte. Ltd.

A joint venture with Tokyo Boeki Ltd. & Kobe Steel Ltd

Steel Tubes of India Limited

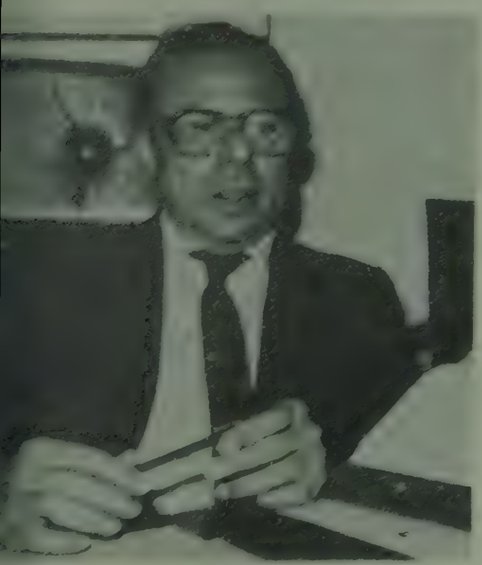
Steel Tube Road, Dewas 455 001 (M.P.)

n the clean business

ke Mookherjea, 51, is the managing ector of Flakt India Ltd

dent consul for the Royal Swedish ment, anti-pollution expert, board of a host of organisations relat to engineering and pollution control, Mookherjea is known as one of a's more prominent and versatile cutives. He heads Flakt India Ltd — a lcutta-based engineering company aising in the manufacture of anti- ion equipment.

electrical engineer, Mookherjea ed Flakt India (earlier known as SF s Ltd) as a project engineer in and became managing director in



84. "Twenty years with the company s been a long haul," he says. During s time, he has been involved in the olution of Flakt India from a small sely-knit unit set up under Swedish nagement in the early sixties to a lead- manufacturer of industrial equip- nt.

allenging years. "It hasn't always n very easy," says Mookherjea. "Flakt ia faced the normal teething problems t almost every company faces when it rts out to accomplish something new in spite of these difficulties, they named my most challenging years," he Over the years, Mookherjea's contri ion to Flakt has been significant. His ninistrative abilities are specially ntioned by colleagues.

After he joined, Mookherjea quickly es lished a rapport with the parent com y (the international Flakt group of industries headquartered in Sweden, with about 80 companies in over 30 coun tries within its fold) and was soon in vested with a lot of responsibility. "I was handling both the projects division and the marketing side which enabled me to gain a lot of experience," he says. He was mainly responsible for his company being the first in India in conditioning tower technology, applicable to cement kilns, and in setting up large precipitators for fly ash handling. In fact, the company's performance even during the bleak days of recession which hit the engineering industry in West Bengal, was commendable.

Though the company specialises in the manufacture of a number of industrial items — industrial fans, dryers, and ventilation, material handling and conveying systems, etc, Flakt's foremost business which is also Mookherjea's pet area of interest, is sophisticated air pollution control systems. He got interested in the field after he joined the company. Since then he has taken advanced training in environmental engineering, and more specifically in air pollution control, in a number of countries in Europe.

"Earlier", says Mookherjea, "there was little of air pollution control practised in India. Initially it was difficult to convince companies to install anti-pollution equipment. But over the years, people have come to realise how vital these systems are." However, he feels, people in India are still not really environmentally conscious. "Pollution control right now is not that much of an issue, but if it is not tackled right now, it will become uncontrollable in a few years time," he warns.

Mookherjea is planning to promote a gamut of services relating to environmental impact studies. His plans for Flakt also include manufacturing condensors, chillers, leak-proof isolators and specialised industrial coils for heat ex changes. Though big names such as Voltas, BHEL, ACC Babcock are also manufacturing anti-air-pollution equipment, Mookherjea takes pride in the fact that only Flakt India offers the full range. He hopes Flakt can carve out a market share of 40 per cent. "After all, Indian markets are now ready to absorb such sophisticated systems," he says.

MADHUMITA BOSE

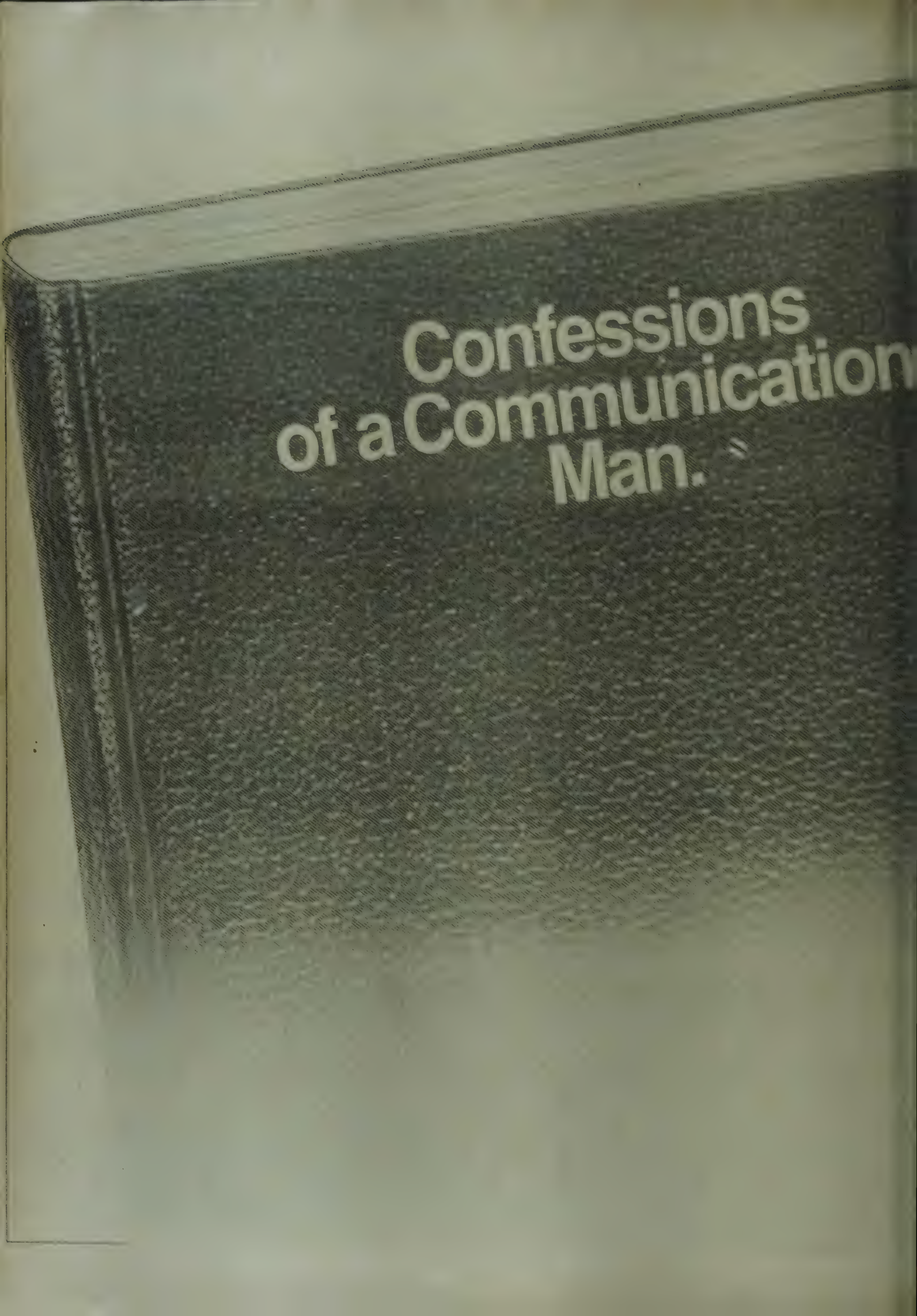
FRONT RUNNERS

At 39, **S. Ramakrishnan** is the youngest whole time director at Indian Hotels Ltd, but he thinks that's no big deal. "I joined the organisation at a time when it was in the throes of expansion and the potential for expansion was tremendous," he explains modestly.

A graduate of IIT Madras and IIM Ahmedabad, Ramakrishnan was selected by the Tata Administrative Service (TAS) in 1972. After the customary nine months' training with TAS, Ramakrishnan joined Indian Hotels. Today, 17 years later, as chief of the projects and development divisions, he also looks after projects and long-term financing. He's at the top so fast, so where does he go now? "Indian Hotels is a rapidly expanding organ isation. The options in the years ahead are endless," says Ramakrishnan.

Two years into his engineering degree at IIT, Madras, **Jagdish Dore** knew he didn't want to work as an engineer. The MBA he did subsequently at XLRI Jamshedpur made sure of that. Today, at 38, Dore is one of the youngest managers at Sandoz, the pharmaceuticals multinational, and is in charge of the exports division.

In his 16-year career, Dore has changed three jobs and an equal number of industries — A.F. Ferguson as a management consultant for three years, in Lever's organisation department for two and a half years, and now Sandoz. "I am keen to raise the stature of exports in the organisation," says Dore. With an export order of Rs.17 crores in 1988 and book orders of Rs.25 crores, he is already well on his way. Dore, who travels almost five months a year, says, "I like spending the little spare time I have with my wife and kids."


Confessions
of a Communication
Man.

BLUE STAR
the hi-technology Company

The Blue Star Engineer discloses some basic truths about OnLine EPABX. He'll transform your world of communications.

In an EPABX market cluttered with product proclaiming identical promises, OnLine stands apart. A product distinguished by the professionalism of the company and people backing it.

Blue Star – a solid electronics foundation.

When you get OnLine, you're buying the expertise and capability of a company with 30 years' experience in hi-tech electronics and 300 trained applications and systems specialists.

OnLine comes to you with the technical back-up of world leaders, Jeumont-Schneider, France.

Modern manufacturing facilities.

Our assurance of reliability starts right at the factory. A modern electronics complex where every component goes through stringent tests on sophisticated equipment and is assembled with meticulous care.

All to ensure that you get an EPABX system that works. With minimal downtime. A system that will boost your efficiency.

Support Services – a turnkey package.

Our trained engineers, with the backing of Blue Star professionalism and expertise take on turnkey responsibilities – system selection, installation, commissioning, interfacing and networking, cabling and operator training. And they will always be on call should you ever need any help.

OnLine comes to you with:

- Special software packages for hotels banks, offices, hospitals
- Unmatched support services
- Data communication capabilities
- Flexibility for expansion

For more information contact

Communication Systems Department
Blue Star Limited
Sahas, 414/2 Veer Savarkar Marg, Prabhadevi
BOMBAY 400 025. Telephone 4306155

- Delhi: Telephone 6834262 • Bangalore: Telephone 575660
- Madras: Telephone 472162 • Calcutta: Telephone 289103

OnLine
EPABX Systems from Blue Star.

Manufactured under licence from Jeumont-Schneider, France

JAISONS BS 2580

1988
a year when achievements excelled the promises made

CANBANK MUTUAL FUND
A spectacular year of growth

Achievements never cease at Canara Bank. And today, the brightest star in its galaxy is CANBANK MUTUAL FUND. Constituted by Canara Bank in pursuance to the Government's conscious objective to provide investment expertise to the small investor and lend stability to the capital market,CANBANK MUTUAL FUND's first year is studded with a myriad of successes. The year saw the successful launch of four schemes – CANSTOCK. CANSHARE. CANCIGO and CANGILT – all tailormade for the discerning investor – and strategic canalisation of funds by untiring efforts of dedicated professionals through a well knit network backed by Computerised Databank

Result CANBANK MUTUAL FUND was the only Mutual Fund in the country to announce interim income distribution in its maiden year barely six months after its formation. Yes CANBANK MUTUAL FUND is truly an outstanding example of CANARA BANK's traditional leadership

And now take a look at our total income distribution for the year-ending 31.12.88, including interim payment

CANSTOCK
(Annualised pro-rata) – Over 13.5% p a

CANSHARE
(Annualised pro-rata) – Total payout over 20% p a

And a **Bonus*** in the ratio of 2.5.
making a total annualised return of over 70%

*Subject to permission of appropriate authorities

CANBANK MUTUAL FUND

Orient House, Adi Marzban Path (Mangalore Street), Bombay 400 038
Trustee: CANARA BANK

Always a step ahead

The hottest ticket in town last ertnight was to the inaugura on of the Festival of France in dia at Bombay's National entre for the Performing Arts. verybody who was somebody as there — almost the entire nion cabinet, the big men from e PM's secretariat, and corpo ate highflyers, both from Bom ay and Delhi — Ashok Birla, aunaq Singh, S.P. Godrej, Ajit ulabchand, R.P. Goenka, et al. nd in one row sat **Dhirubhai mbani**, his son **Mukesh, shok Ganguli, Rahul Bajaj,** nd **Neville Wadia** with son usli's wife **Maureen.** But, here was Nusli?

What have the Indian stock markets got to do with the Fes tival of France in India? Well, as it turned out, plenty. For days rumours had been floating around Dalal Street about **Dhirubhai Ambani** having taken seriously ill once again. And the mandarins at Reliance did nothing to dispel the bro kers' fears. Who should come to their rescue but Francois Mit terrand and Rajiv Gandhi. After a long hiatus, Ambani was first seen in public at the Raj Bhavan lunch in Bombay hosted by Ra jiv for Mitterrand on the day of the inauguration of the Festival of France in India. While JRD's and Ashok Ganguli's presence at the same lunch could be ex plained away easily — the for mer being half-French and the latter being a science and tech nology adviser to the prime minister. There was no 'franc' explanation on why Dhirubhai was there. And then again at the NCPA inauguration in the eve ning, Dhirubhai was there, talk ing animatedly among others to Rahul Bajaj, and looking very much his old self.

Was it the wholesome French wine and cheese that made rounds of Bombay all through the festival week that did the trick?

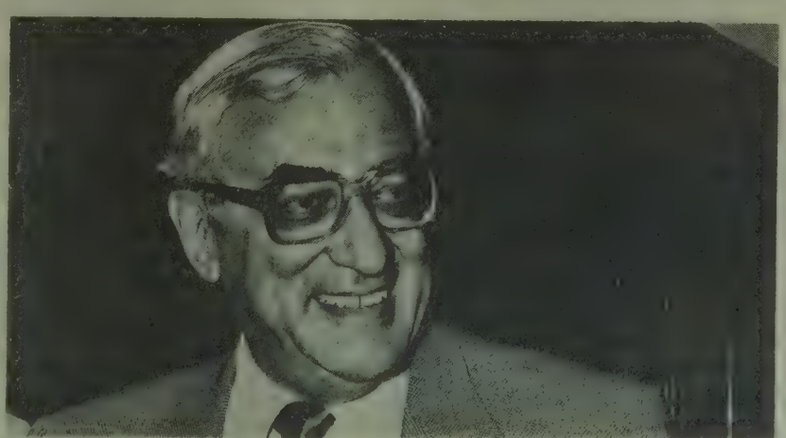
Fab India's John Bissel and his wife Bim, of the World Bank, throw parties that people rarely miss. And so it was last week, when they hosted a lunch for a visiting group of old students from the famous Kinnaird Girls College of Lahore. Among those present were two of the coun try's former consul generals in Lahore, **Mani Shankar Aiyar** and **Aftab Sheth**. Though both now talk for a living (Seth as the external affairs spokesman and Aiyar as the spokesman in the prime minister's office), Aiyar as always had the more interesting story. To the giggle of every one around Aiyar, who was born in Lahore, revealed: "when in nappies, I used to be wheeled around Kinnaird in a pram and the first ladies who ever kissed and cuddled me were all from Kinnaird".

Jagdish Tytler, minister for food processing, has just winged his way to Yugoslavia this week on a mission that may just about keep his ministry afloat. Tytler is worried since the push by Coke has made his pet project partner, Pepsi, ner vous and anxious. Tytler, whose ministry has already protested

about the Coke application, be lieves that "food processing de serves attention and care. We must give the projects a chance".

The fighting chance that Tytler is pushing for is also in the markets in the East Bloc. That explains why the minister made a dash to promise them the goods — in the shape of processed foods. If all goes well, Tytler may well be battling Coke and pushing Pepsi rather successfully

n Delhi circles they are known the Brothers Colamazov, and propriately so. Like the Dos vevsky characters, they are ood brothers involved in a ich publicised brawl. **Murad ig**, a former public relations ector of Escorts, is now the ich in the-news Coca-Cola intsman in Delhi, trying to noeuver the US soft drink nt into the country. And one n who's trying to thwart him is own brother **Zahid Baig**, a mer official of Tata Services. the Pepsi man in Delhi. id is taking the war on be f of this US giant into the wing rooms of government retaries. Whoever wins, it all be in the family



"She is a shy, blushing bride, easily scared. You have to woo her carefully." This was **Lalit M. Thapar**'s advice at the recent AGM of the Cochin Chamber of Commerce and Industry. No, he wasn't conducting classes for prospective casanovas. He was only telling the audience of state businessmen how to at tract capital to industrially sluggish Kerala.

How much would you pay for this TVSE MSP-55 printer which is twice as fast as most printers ?

☐ Twice as much

☐ 4 times as much

TVSE Dealers:
BANGALORE: Consolidated Marketing Agencies, Ph 27501 BOMBAY: Adarsh Systems and Services Pvt Ltd, Ph 4[illegible] Nimal Electronics Udyog, Ph 8[illegible] CALCUTTA: Swaraj Business Services, Ph 42[illegible] Electronics, Ph 2[illegible] CHANDIGARH: The Calculator, Ph 5[illegible] COIMBATORE: Consolidated Marketing Agencies, Ph 21[illegible] DEHRADUN: Aryaban Business Consultants, Ph 2[illegible] KANPUR: Computermatic, Ph 2[illegible] MADRAS: Consolidated Marketing Agencies, Ph 8[illegible] NEW DELHI: The Calculator, Ph 6[illegible] SAHARANPUR: Ancient Business Computers, Ph 7[illegible]

Wrong!

[illegible] 300 characters per second printer [illegible] Rs 18,500/-. That is just 15% more than a 180 cps printer.

Don't settle for anything less than the TVSE MSP-55 — the world class printer [illegible]

TVSE has started indigenous manufacture of the Citizen range of dot matrix printers. Bringing frontline printer technology from the world leader, right to [illegible]

Compare for yourself

	MSP 55	[illegible]
Price	Rs 18,500	Rs 16,000
Speed	300 cps	180 cps
Paper handling: Auto-loading	✓	✓
Push and Pull tractor	✓	✓
Front panel selection	8 options	2 options
Font cards	✓	Nil
Colour printing	✓	
Auto sheet feeders	✓	

Easy to use from control panel:

[illegible] of setting complex DIP switches every time you change the printer — there's no need to do that with the MSP 55. Simply from control panel. Now you can choose from 8 print styles, go into paper parking and select from quality and speeds.

Paper handling now made simple:

No more jammed, torn or smudged sheets — the MSP-55's auto-sheet loading streamlines single-sheet handling. There's more to it: a detachable tractor mechanism for push or pull tractor feeds. Rear and bottom feed of continuous paper. And the option of automatic sheet feeders for bulk handling of single-sheets — ideal for correspondence, reports etc.

Unmatched features that give you more for your money:

The TVSE MSP-55 comes with unusual features which make it the ideal [illegible] It has a maximum print speed of 300 cps with near presentation graphics printing at a high resolution 240 dots per inch — for business, engineering, and presentation graphics. In addition, the MSP-55 actually expands as your needs grow. There is the colour option kit which gives you a stunning print out with upto 7 colours. And add-on font cards to enhance the appearance of business reports, documents, and presentations.

The TVSE assurance:

Each MSP-55 brings you the total reliability of TVSE — India's premier computer peripherals company. Backed by the famous reassurance of the legendary TVS group.

TVSE

44, Miller Road, Bangalore-52, India.
Tel: (0812) 77126/72526/71585
Tlx. 0845-2618/0845-2088 TVSE IN
Fax: (0812) 258545

ORM 3808

For more details, just fill in the coupon, and mail it to TVSE:

(please tick and fill in as appropriate)

Yes! I'd like to know more about how the TVSE MSP-55 can help in my environment.

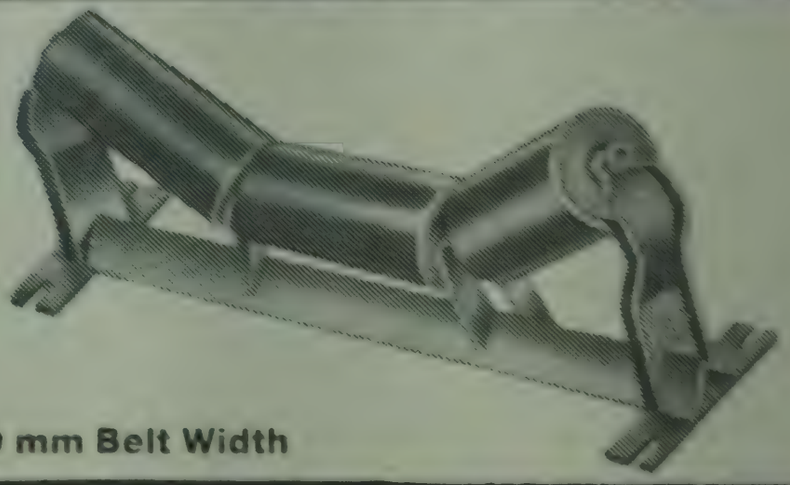
☐ Please arrange a demonstration.
☐ Have your representatives call on me.

Mr. Name _____
Designation _____
Company _____
Address _____
_____
_____ PIN

CITIZEN PRINTERS FROM TVSE
Printers that run like clockwork

Spiraget® CONVEYOR IDLERS & ROLLERS

SIMPLY THE BEST FOR CONVEYING



For 300 mm to 2500 mm Belt Width

IGP IGP Engineers Limited

(Material Handling Division) 134, Angappa Naicken Street, Madras – 600 001.
Phone: 589744/589764/589784/587947/589824
Grams: 'SPIRAGET', Telex: IGP 7117

MOULDS

We have been designing and manufacturing moulds and dies since 1970 and have 250 employees including engineers, designers, machinists, tool makers and moulders. Our engineers have been trained in the best tool rooms in the U S A and are fully conversant with the latest techniques of precision mould manufacture.

We have a fully air-conditioned computer controlled tool room which is equipped with the best EDM's from Switzerland, three dimensional die sinkers from W. Germany, inspection and quality control machines from Japan and all other precision back-up machines.

We hold large stocks of the best imported alloy steels which are heat treated in our modern heat treatment plant. We can case-harden, harden, nitride and stress relieve all steels.

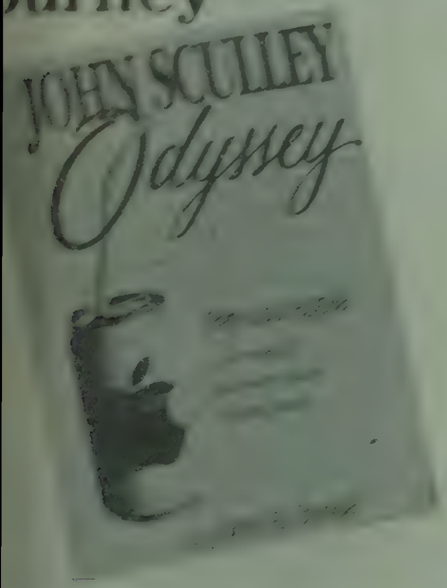
We are specialists in moulding the whole range of thermoplastics and can ensure supply of moulded components to your requirements. Our moulding shop is equipped with ten Toshiba 150 ton fully automatic moulding machines, a Kautex blow moulding machine and a team of experts to run them. Contact us for further information.

- High quality moulds for plastics and die casting industries.
- Moulded plastic components for general purpose and engineering plastics.
- Precision and electric discharge machining (spark erosion).
- Complex jigs and fixtures.
- Heat treatment of steels.

PMD PRECISION MOULDS AND DIES®

S-4C, Industrial Area No. 4,
Sahibabad 201 010 (Ghaziabad (U.P.))
Phones Delhi 669357, 669343, 669226

tranger on a ourney



— FROM TO APPLE

Scully with John Byrne. Pan-
— Rs 195.50. pp 406.

— Pepsi to Apple is divided into
— the first and the shorter one
the author John Sculley's pro-
a treasure in marketing to pres-
Pepsi Cola USA in a little over a
The second chronicles his tumul-
affair with Apple, which in
words gave him "a chance to
Sculley left Pepsi after 16 years to
go over to the totally unknown
computers. he had been clearly
as "the head contender for the
at Pepsi when chairman Don
but Sculley never looked
from Pepsi to Apple, Sculley
— for another. How-
differences turned out to be vast.
nothing to their impact. Pepsi
the old establishment, of
corporate America, tough as
and "proper". Apple
wacky, informal, creative. T
and long hair.
pizzas all went well. Macintosh
with celebrations and con-
hundred-page show-
was a runaway success. But the
years saw the company go
an equally spectacular failure to
Sculley
Pepsi
marketers to consider
over. His basic mistake he made, he says, was in thinking that he could turn Apple into a consumer marketing giant. The advertising budget had been raised from $5 to $15 million dollars, an undercount of figures even in the US. However he admits relearning the fundamental lessons of marketing that however great the product, its success depends on the consumer agreeing to pay for it.

A miscalculation

Exciting though the product was, it proved to be far too costly an item for the household. "People weren't about to buy $2000 computer to play a video game, balance the cheque book or — government program as were suggested. The average consumer simply could not do something useful with the computer. Once we saturated the market for enthusiasts it was not possible for the industry to continue the incredible record of growth. The real problem would come when the growth stopped."

So the bubble burst. It left not just the product, but the entire company, shattered. To pick up the fragments, build up the morale of a new team and orient it towards a relevant and marketable consumer position was an uphill task — one that nearly broke the company, the team and its personal life.

At one stage, Sculley, a broken man, almost decided to pack up and leave. But he chose to pick himself up once again with the support of the loyal employees who stayed on, to shoot for another astounding goal which he called the "50-50-50 target": to reach 50 per cent gross margin at the end of 1985, 50,000 units a month in sales of Macintosh, now redesigned to be compatible with other business systems, and stock price of $ 50 from a low of $ 15

The book tells the gripping story of this massive turnaround. It is also a telling lesson to managers of any function in any industry: on getting back to the basics. Cutting costs and losing people was only the first and obvious steps. What was more important was not to lose heart and vision.

At one stage, Sculley, a broken man, almost decided to pack up and leave. But he chose to pick himself up once again with the support of the loyal employees who stayed on, to shoot for another astounding goal which he called the "50-50-50 target": to reach 50 per cent gross margin at the end of 1985, 50,000 units a month in sales of Macintosh, now redesigned to be compatible with other business systems, and a stock price of $ 50 from a low of $ 15.

Everyone in the industry thought that this was once again a case of unrealistic hype. By 1987 all these three targets had been reached and the company was back on its feet again.

All through the remaining of this trying and stressful period Sculley is relentlessly fine tuning the word to create yet another "CEO as-the hero-image". He tells it like it is, veers and all in his own words, "the image of the CE as a tough, aloof, macho hero is an anachronism in today's world. The new age leaders will lead not with toughness but with powerful ideas. Making mistakes is a very real and important part of succeeding. At Apple making mistakes is the only way to learn."

In a chapter supremely entitled "Why are there so few good marketing people" Sculley exposes the weaknesses of conventional marketing. He lays bare the limits of quantification and measurement at the cost of insight and intuition. He emphasises original approaches to understanding the consumer.

The telling of the story is exciting and fast paced. The book's single major flaw is its verbosity. In his eagerness to communicate his new found enthusiasm, the writing sometimes becomes too strident and in the interest of introducing distinguished expression amongst Apple's executives Sculley had once ruled that no memo on any subject should exceed a page. One wishes that he had set an example of brevity himself.

John Sculley's odyssey is, in the end one of self discovery. He quotes the novelist John Gardner as saying that all novels revolve around two themes. Someone goes on a journey. Or a stranger comes to town. In this case Sculley is the stranger who went on a journey to an unknown destination, from selling oatmeal soda water to the new information age.

■

Everything we've predicted in the past 20 years has come true.

MIL-where foresight is the mother of invention

With India's largest and most sophisticated rubber lining facility, Madras Industrial Linings Limited has been the country's leader in its field for nearly two decades now.

Over the years MIL has successfully supplied its equipment to several challenging projects for Chemical, Fertilizer and other Process Industries. In addition MIL has also supplied Air Pollution Control Systems and Solvent Recovery Systems.

Now MIL is all set to manufacture a comprehensive range of high-tech PTFE products in technical collaboration with one of the world leaders, Flurocarbon Company Limited, U.K.

MILFLORON PTFE Products, the Polymer of the Century

Milfloron PTFE products are unique among speciality engineering plastics for their perfect blend of physical & chemical properties. Their spectrum of applications covers Chemical, Fertilizer, Petrochemical, Nuclear, Defence, Aerospace, Electrical, Electronics, Telecommunication, Food Processing etc.

Some of the features that make Milfloron PTFE products unique:

- Inertness to virtually all chemicals
- High thermal stability — from −200°C to +250°C
- Very low coefficient of friction, non-adhesive and non-ageing
- Excellent electrical insulating properties

MIL-First to introduce Paste Extrusion Technology in India

For the first time in India MIL will produce PTFE Liner Tubes, PTFE Lined Pipes and Fittings using the Paste Extrusion Technology which is superior to the conventional processes currently in use in India for these products

MILFLORON
PTFE Products

MIL
Madras Industrial Linings Limited
425 Pantheon Road
Egmore
Tel: 500192

MIL–The Company that saw Tomorrow

STARTUP COMPANIES

A question of content

An increasing number of greenfield projects are being set up, many of them with large capital investments, in the core sector. Several large projects, especially in the chemicals and petrochemicals industry, are due to be commissioned in the next 24 months. And the focus is once more on building large organisations that can implement these projects.

At the implementation stage, entrepreneurs tend to spend a lot of time on the technical and financial aspects of the project; in the process, planning for getting the 'organisation' in place does not get the attention it deserves. This creates several problems, especially once the project is on stream.

Personnel issues for a startup company, and often enough for a new unit of an existing company, raise many vexatious issues: right from the recruitment policies to adopt, compensation to be paid and the 'culture' to be developed in the organisation. Most new organisations like to keep a tight control on expenses in the initial phases till the project breaks even.

Many compromises

This, in practice, means many compromises on staffing numbers and organisational structure, as well as on infrastructure and facilities for the staff. Given the fact that most projects today have to be implemented in backward and no industry locations, the compromises often cause more problems than envisaged.

The organisational structure for a startup operation — if thought out before hand at all — is usually designed in the same manner as that for an ongoing operation. Often, it is the project head, with technical expertise in the industry, who is recruited first, ie, when the project is still on paper. It is assumed that he should logically be in charge of the project when it is commissioned and function as a unit head or general manager for works.

In practice, however, it is found that first rate project managers are individuals who function better in an unstructured environment. Consequently, they turn out to be temperamentally unsuited to handle routine manufacturing operations. Therefore, it becomes necessary to plan for different structures for the project team and the commissioned plant, and especially how to utilise the project staff, at the senior level, after the project is on stream.

In India, a time bound contractual appointment is still viewed with some hesitation. But such arrangements, with high remunerations, and possibly large bonuses for timely and cost-effective implementation, have proved to be the best solution in these situations.

At the project stage, most companies tend to recruit staff at a nearby metro location that is convenient from the commercial and, more important, communications point of view. Staff recruited from such locations is often not mentally reconciled to being based at the project site. Thus, when a project takes a long time to be commissioned, as it often does, it is commonplace for senior managers, including technical managers, to find reasons for not being stationed at the plant. This means that senior technical staff leave when the job is half way done and another set of managers has to be recruited for the plant. This leads not only to increased costs but also delays and confusion in the organisational structure.

The other important and often faced problem is the fact that organisational structure, and consequently salary grades, are not visualised. Compensation for comparable jobs tends to be vastly different, especially after tax deductions. Fitting individuals into salary grades thereafter not only raises several problems, but also causes much heartburn. Employees then feel that the company has reneged on promises made at the project stage

Thorny problem

Another thorny problem is that during the project stage, even the middle management reports directly to the chief executive and has direct, daily access to him. Relatively junior managers get used to being involved in major issues. Since heads of departments, like commercial and marketing, are not recruited till the plant is virtually nearing commissioning, the older hands who have junior designations often find it difficult to adapt to the change in their status in the organisation. Since startup operations almost always mean unstructured working, besides exceedingly long hours and lack of infrastructure, it is felt that incentives have to be given in the form of high remuneration or special benefits and facilities, including good designations.

The lack of personnel policies and well defined needs for specific individuals result in highly personalised compensation structures and varying practices. Top management often negotiates with the individual and determines benefits to be provided based on what the individual currently gets in terms of benefits. With individuals coming in from vastly different setups, the practices are totally divergent. As the organisation starts falling in place, these anomalies become apparent.

The other important and often faced problem is the fact that organisational structure, and consequently salary grades, are not visualised. Compensation for comparable jobs tends to be vastly different, especially after tax deductions. Fitting individuals into salary grades thereafter not only raises several problems, but also causes much heartburn. Employees then feel that the company has reneged on promises made at the project stage. This, of course, leads to low morale or a feeling that the organisation is not "professional". As for the management, it then has to give benefits that it did not see itself providing — like transportation and refreshments — because it expected to provide these only at the project stage and not after.

The role of the chief executive in providing leadership at the project stage and thereafter being sensitive to various organisational issues is most important. Careful planning and mature and sensitive handling of a difficult transition stage in the organisation are important prerequisites for setting up a well-managed, professional and stable organisation in the long run.

■ ANITA RAMACHANDRAN

modipon limited

MODINAGAR (U.P.)

Chairman's Address to the 23rd Annual General Meeting held on 27th January, 1989

Shri K.N. Modi
Chairman

Friends.

I extend to you all very warm and hearty welcome to the 23rd Annual General Meeting of your Company and wish you very happy and prosperous New Year.

Performance

I am glad to report that during the year ended 30th June, 1988 the Company's performance was good. The turnover has increased from Rs. 153.63 crores last year to Rs. 166.76 crores and net profit after tax was Rs 9.39 crores.

Dividend

The directors are pleased to recommend raising the dividend from 20% last year to 40% for your approval.

Optimistic Economic Outlook

The Indian economy which passed through one of the severest stresses and strains during 1987-88 due to the worst drought in the history of the country is again on the path of growth due to the right policies and dynamic approach of Rajiv Government. The good monsoon this year has given further momentum to development. Dynamic and practical thinking and liberal policies to make our economy cost and quality competitive has greatly helped in overcoming difficulties and assuring growth even under the worst conditions. In the current year, agricultural growth and foodgrains production is expected to be all time records. Industrial growth around 12% and improvement in the infrastructure like power and transport will also be impressive.

Not only there have been notable achievements on the economic front, our Prime Minister has taken many bold decisions on the political front also. The historic visit to China after 34 years by any Prime Minister of India has helped to bring peace and tranquility on Indo-China border. There will also be greater cooperation on the economic front and trade will get encouragement. The Prime Minister of India has visited Pakistan after nearly three decades which has brought the two countries nearer. During this visit, three agreements have been signed which should help in bringing peace and cooperation between India and Pakistan, reduce tension on the Indo-Pak Border and help in solving the Punjab problem. The defusing of tension on various frontiers should ultimately help in reducing defence expenditure and funds so saved will help faster economic development.

With the achievements during the last four years, one can look forward with optimism to faster development in the years ahead. Therefore, the 8th Five Year Plan is being made more ambitious. If all of us cooperate with the Government, maintain peace, harmony and political stability, there is no reason why the 8th Five Year Plan targets should not even be surpassed, which are very modest looking to the needs of the country.

The Government is taking decisions in proper directions to take India into the 21st century with confidence and to reduce the technological gap. History has ample proof that development largely depends upon technological change and innovation. Therefore, while on the one hand, there is a need to further liberalise the import of technology and encourage private foreign capital, on the other it is equally important that whatever technology is imported, it is properly digested and adapted as has been done by Japan and Korea etc. and import substitution is given due emphasis. Our future to a great extent will depend on how we are able to get and absorb sophisticated technology not only in industry but also in other sectors and how dedicated we are to achieve our goal to remove unemployment and poverty. This can be possible with greater cooperation from industrialised countries, establishing more joint ventures, investing more on research and development, encouraging scientific education in all facets of life and creating a congenial atmosphere for good industrial relations. The balance of payment continues to be an area of concern but if we are able to improve quality, reduce price and create an exportable surplus of items needed abroad, we can do wonders even in this field. The recent upsurge in the exports of a few items like jewellery and readymade garments is a pointer to this.

Polyester Industry

The 1985 Textile Policy rightly encouraged manmade fibre industry because of shortages of natural fibres like cotton and wool. Since the announcement of this policy, there has been a considerable increase in the capacity of polyester filament yarn, nylon yarn and polyester staple fibre but there is also great under-utilisation of installed capacity.

Due to the duty structure and consequent higher domestic prices of yarn, fibre and fabrics smuggling became profitable. It is estimated by certain sources that in terms of landed cost, the smuggling is around Rs. 9,000 crores which is a great national loss. In order to ensure cheaper cloth to the masses, control smuggling and ensure better utilisation of capacity, it is of paramount importance to look into the prices of basic inputs and duty structure. It is a well known fact that the prices of petrochemical products are going up in the international markets which has raised prices of DMT, MEG and Caprolactum. There has also been revaluation of currency of a number of exporting countries which has further escalated the cost. When import duty is levied at an ad valorem rate with

higher CIF price, the landed cost is loaded making the imported inputs costlier than those produced domestically. The only short term way out is to change the method of levying import duty from ad valorem to specific and in the long run to increase domestic capacity.

In order to ensure full utilisation of the idle capacity, provide cheaper textiles to the consumers and check smuggling, following suggestions need consideration :

Import duty on basic inputs should be reduced and made specific.

The basic inputs to producers ofCaprolactum, DMT and PTA should be made available at international prices.

Excise duty on nylon and polyester yarn, polyester fibre and blended fabrics should be restructured to bring down the price to the consumer.

If these suggestions are accepted, the capacity utilisation will go up and the revenue will also increase even with lower rate of duties on larger volume. Certain proposals on these lines with detailed data have been submitted to the Government by the industry which needs sympathetic consideration.

It is also necessary for long term growth of the industry that the domestic capacity of basic inputs are further increased to match the demand, save valuable foreign exchange and ensure easy availability.

As I mentioned earlier, research and development plays a very important role in the development of the economy, more so in a sophisticated industry like man-made fibre. In foreign countries, new uses of fibres are being found for industrial applications which have greatly benefitted their economies. We should also carry out R&D work in a much bigger way.

Though at present there is an excess capacity in the industry, most of the units are below optimum level. In future, to ensure lower overheads and economise on capital cost, the existing units should be allowed to expand their capacity to the optimum before establishing new units.

Modernisation and Expansion

I am happy to report that expansion of nylon filament yarn has been fully completed and the installed capacity has increased from 4760 tons per annum to 6000 tons per annum. The effect of this expansion will be reflected in the current year's turnover and operations. The company has been granted a letter of intent to further expand nylon filament yarn capacity to 12,000 tons per annum. The management proposes to take positive steps to instal the latest spin-draw and spun dye yarn technology to produce larger quantity of specialised yarns.The company has also undertaken expansion of capacity of polyester filament yarn from 1723 tons to 3500 tons per annum and holds a letter of intent to expand it further to 15,000 tons per annum under the minimum economic size scheme of the Government.

Research and Development

The management believes that research and development is of paramount importance. Hence there has always been thrust on research and development. The R&D Department has been able to improve the quality of yarns and has developed new products from time to time through modification of process and equipment.

In the Chemical Divison, the Company has received provisional registration in India for GOAL, a sophisticated broad spectrum herbicide which will be of immense benefit to the farmers to get rid of weeds and improve yields. An agreement has also been signed with Messers ELI LILLY & Co. of USA for the formulation and marketing of 'Beam', speciality rice blast fungicide which is more effective than any other fungicide available in the market and will help to boost rice yield and quality significantly.

HIGHLIGHTS

* **The turnover increased from Rs. 154 crores to Rs. 167 crores and net profit after tax was Rs. 9.4 crores.**
* **The company proposes to double the dividend from 20% to 40%.**
* **The right policies and dynamic approach of Rajiv Government has put the economy again on the path of growth after worst ever drought.**
* **With good agricultural production and record growth in GNP, one should expect an increase in demand and boost in industrial growth.**
* **The historic visit of the Prime Minister to China and Pakistan should help to bring peace and reduce tension on borders.**
* **With the achievements during the last four years one can look forward with optimism for faster development in the 8th Five Year Plan.**
* **To take India into the 21st Century with confidence and reducing technological gap, there is a need to further liberalise the import of technology, encourage foreign and private capital and adapt technology in the similar manner as has been done by Japan and Korea etc.**
* **There is a need to check smuggling of manmade fibres and yarn by levying import duty on basic inputs on a specific basis and restructuring import and excise duties on inputs and on yarn, fibre and fabrics.**
* **Expansion of capacity of nylon filament yarn completed and that of polyester filament yarn taken in hand. Nylon filament yarn capacity is proposed to be doubled to 12,000 tons and that of polyester filament yarn from 3500 tons to 15,000 tons.**

Acknowledgement

The industrial relations were cordial and all employees worked in a team spirit for the growth and prosperity of the company. The management appreciates their services and I would like to place on record their dedicated work and congratulate them.

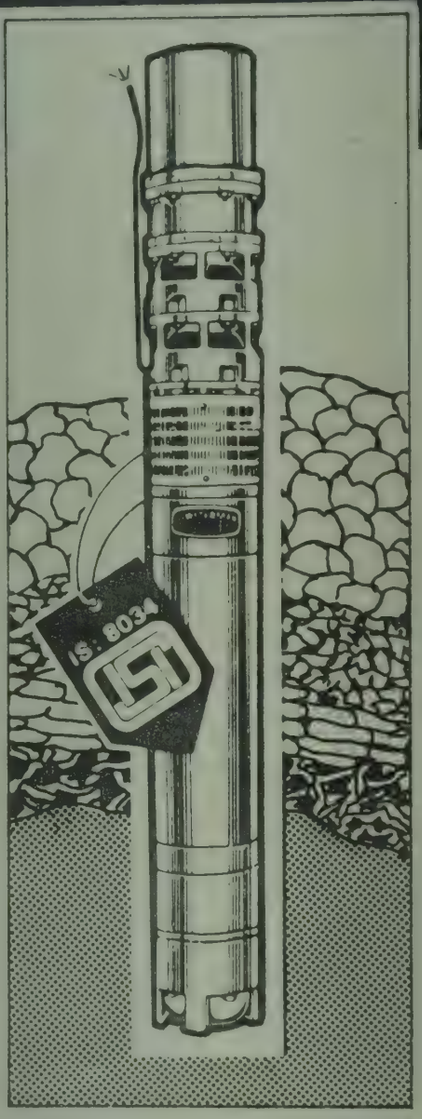
I would also like to thank our collaborators for their continued support, guidance and valuable assistance on various matters. I am also thankful to the commercial banks, the financial institutions, Government of Uttar Pradesh, Central Government and other organisations for cooperation and support. I am also grateful to the members of the the board for their valuable advice.

Thank you

modipon limited

Note : This does not purport to be record of the proceedings of the Annual General Meeting

TRIED AND TRUSTED
for Regular Water Supply
WATERMAN
SUBMERSIBLE PUMP



Waterman submersible pump is sturdy, reliable, economical and it's applications are wide.

Applications:
- Service water supply installations for industries.
- Town & Village water supply schemes.
- Irrigation Schemes.
- Domestic water supply.

Features:
- Capacities 60 LPM to 4300 LPM.
- Motor 1.5 to 80 HP.
- Pumps with single phase motor also manufactured.
- **Approved by all Govt. Depts.**

The pump for all seasons – WATERMAN

Manufactured by:
mbh pumps private limited
502, Sea Sparkle, Opp. Atlantic Hotel,
Juhu Tara Road, Bombay-400 049. Tel: 6149242.
Branches: Ahmedabad – Bangalore – Madras

mbh

Distributors:

Karnataka: WATER PUMPS SALES & SERVICE, 27 Malavalli Ramrao Lane, 2nd floor, behind Hotel King & SJP Road, Bangalore 560 002. Tel: 221200. Res: 369619, 367826.

Andhra Pradesh & Maharashtra: WATER AID ENGINEERS (INDIA) PVT. LTD. 541, Al Karim Trade Centre, M.G. Road, Ranigunj, Secunderabad-500 003. Phone: 824619 and 10-A, Vimal Udyog Bhavan, Taikalwadi Road, Mahim, Bombay 400 016. Phone: 4300571-4300572

Bengal: GNB MOTORS LTD. Showroom & Works: 98 B.T. Road, Calcutta 700 090. Phone: 527083, 522563, 526588. City Office: Phone: 276111/264654. Telex: 021-3233 TODI-IN

Tamilnadu: MBH SALES CORPORATION (MADRAS), 83/7, Armenian Street, Madras 600 001. Phone: 21528

Delhi, J & K, HP & Haryana: TECHNIKA ENGG. COMPANY, C- 36A, Kalka Ji, New Delhi – 110 019. Phone: 6430140/6438882

Gujarat: ACME PUMPS CORPORATION, 436 Spectrum Commercial Centre No. 1, Near G.P.O., Satapose Road, Ahmedabad-380 001. Phone: 24729.

Motivation-191

Time to renew your subscription?

Not at the eleventh hour please

Our computer is fussy. It requires renewals to be recorded four weeks in advance. And it would like to know that your payment is against a renewal. That's not all. It would also like to know your subscription number.

Who said computers were meant to make life simpler?

Help us to help you

THE
Business India
GROUP

Ramachandran has ... promoted to ... manager ... marketing) for Dabur ... Ltd.

Raju Shahani has taken over as director (international marketing) for Oberoi Hotels worldwide.

P.S. Shanmukham has been promoted to general manager of General Insurance Corporation of India, Bombay.

A.B.N. Morey has taken over as the British deputy high commissioner in southern India.

...beer Chakrabarty has ... as general ...anager, Response India ... Ltd.

V. Chandrasekharan has been appointed chief executive, Wipro Beckman.

Ramit Bhudraja has joined Holtec Engineers Pvt Ltd as a consultant.

Sunil Alagh has been appointed managing director of Britannia Industries Ltd.

P. Abraham has taken over as chairman of the Maharashtra State Electricity Board.

Vinayak M. Akolkar has taken over as general manager of the Nasik division of Hindustan Aeronautics Ltd.

Amit Sen Gupta has joined Clarion Advertising Services as president and chief executive officer.

V.K. Jain has taken over as chairman and managing director of the National Newsprint and Paper Mills Ltd.

R.K. Singh has been appointed the executive director of the Korba complex of Bharat Aluminium Co Ltd.

L.D. Samant has been appointed to the board of directors of Chowgule and Co Ltd.

S.B. Banerjee has been promoted to vice-president (marketing) of Elecon Engineering Co. Ltd.

R.K. Hersur has been appointed deputy director of the Tata Institute of Social Sciences.

J.C. d'Lima has been appointed to the board of directors of E. Merck (India) Ltd.

ASSOCIATIONS

...inash Ogale has been ...ected chairman of the ...stitute of Indian ...undrymen, Western ...gion, for the year ...88-89.

...amod S. Shah has ...en elected chairman of ...e Western India ...gional Council of the ...stitute of Company ...ecretaries of India for ...e year 1989. **A.K. Modi** ...s been elected vice-...airman.

J.M. Mauskar has taken over as executive director of the Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotion Council (CHEMEXCIL).

Anand Akerkar has been elected president of the International Public Relations Association.

Mahendra K. Modi has been elected president of the Association of Synthetic Fibre Industry.

Virendra Kumar Gandhi has been elected president of the All India Federation of Plastic Industries.

K.K. Bhatia has been elected chairman of the Chemicals and Allied Products Export Promotion Council.

V. Saran has been elected president of the Coal Consumers Association of India.

H.L. Bajaj has been elected chairman of the Institute of Electrical and Electronics Engineers Inc, Delhi section.

B.K. Khandelwal has been elected president of the Textile Merchants Association.

Senior executive positions

A compilation of executive positions advertised in Business India and other major publications between 30 January and 12 February 1989.

NATIONAL

- CHIEF EXECUTIVE * *Sal* Attractive pay-pack with perks * *Age/Qlfn* Around 50 years * Management graduate * *Reqd* Holding senior management position currently. 5-10 years experience * *Cont* J 221-S, Times of India, Bombay 400001 (ToI - 1.2)
- VICE-PRESIDENT (Russia/Comecon countries) * *Sal* Attractive * *Age/Qlfn* Around 40-50 years * NS * *Reqd* Successful track record in exports to Russia, Comecon countries. Knowledge of Russian an asset * *Cont* Executive Director, RPG Enterprises, 463, Dr. Annie Besant Road, Bombay 400025 (BI-6.2)
- VICE-PRESIDENT * *Sal* Attractive remuneration * *Age/Qlfn* 40 years * NS * *Reqd* Knowledge of Russian an asset * *Cont* Executive Director, RPG Enterprises, 463 Dr Annie Besant Road, Bombay 400025 (ToI-6.2)

WEST

- DIRECTOR (IIM) * Ahmedabad * *Sal* NS * *Age/Qlfn* NS * NS * *Reqd* Providing academic and adminstrative leadership and managing external relations with government, national and international agencies * *Cont* Mr V.Krishnamurthy, Chairman, IIMA Board of Governors, SAIL Corporate Office, Ispat Bhavan, Lodi Road, New Delhi (H-8.2)
- CHIEF EXECUTIVE * Nasik * *Sal* Attractive * *Age/Qlfn* 40-45 years * NS * *Reqd* Engineering background or equivalent experience, successful record in production, administration etc for an foreign cutting tool manufacturer * *Cont* Personnel Search Services, 3rd Floor, Sambava Chambers, Sir P.M. Road, Fort, Bombay 400001 (BI-6.2)
- GENERAL MANAGER (Marketing) * Bombay * *Sal* Rs.1.5 lakhs + perks * *Age/Qlfn* 40-45 years * NS * *Reqd* Senior level experience in consumer durables, ability to operate in a highly competitive market * *Cont* S.S. Kalra, Kalra & Associates, 902 Dalamal Towers, Nariman Point, Bombay 400021 (BI-6.2)
- PRESIDENT (Automotive) * Bombay * *Sal* Above industry standards * *Age/Qlfn* 35-45 years * NS * *Reqd* 5 years senior level experience in a manufacturing unit, exposure to finance and marketing * *Cont* Tristar Consultants, 616 Maker Chambers V, Nariman Point, Bombay 400021 (BI-6.2)
- DIRECTOR (Finance) * Bombay * *Sal* Attractive compensation plus perks * *Age/Qlfn* 40-45 years * CA/MBA (finance) * *Reqd* 15 years experience in finance * *Cont* Tristar Consultants, 616 Maker Chambers V, Nariman Point, Bombay 400021 (ToI-6.2)
- DIRECTOR * Ahmedabad * *Sal* NS * *Age/Qlfn* NS * NS * *Reqd* NS * *Cont* V.Krishnamurthy, Chairman, IIMA Board of Governors, SAIL Corporate Office, Ispat Bhavan, Lodi Road, New Delhi 110003 (ToI-6.2)
- CHIEF ACCOUNTANT * Bombay * *Sal* Commensurate with qualifications and experience * *Age/Qlfn* 40 years * CA * *Reqd* Must have EDP knowledge 5-8 years of account experience * *Cont* Box J408-K, Times of India, Bombay 400001 (ToI-10.2)

NORTH

- CHIEF EXECUTIVE * Dehradun * *Sal* Over Rs.1.25 lakhs pa + perks * *Age/Qlfn* 35-45 years * Electronics/Electrical engineer * *Reqd* Minimum 8 years post-graduate experience in electronics industry and 2 years experience in a senior position * *Cont* Manager (Administration), Nipha Data Tech Ltd, 25 Netaji Subhas Rd, Calcutta 700001 (HT-9.2)
- VICE PRESIDENT (Finance) * New Delhi * *Sal* Excellent salary plus perks * *Age/Qlfn* NS * CA * *Reqd* Public accounting experience prefered * *Cont* A.F. Ferguson Associates, Post Box 1786, Bombay 400001 (ToI-4.2)
- VICE PRESIDENT (Exports) * New Delhi * *Sal* NS * *Age/Qlfn* 32-38 years * NS * *Reqd* 7-12 years of export marketing experience with a multinational company or export house, for the Pepsi-Voltas-Punjab Agro venture * *Cont* Tarun Sheth, C/o Shilpute Consultants, P.B. 9386, Bombay 400026 (BI-6.2)
- FINANCIAL CONTROLLER * New Delhi * *Sal* Excellent * *Age/Qlfn* 40-50 years * Chartered Accountant * *Reqd* Exposure to financial institutions, funds management, MIS * *Cont* Chairman, ABC Consultants Pvt Ltd, 43/3, Hazra Road, Calcutta 700019 (BI-6.2)
- CHIEF EXECUTIVE * New Delhi * *Sal* Very attractive * *Age/Qlfn* NS * NS * *Reqd* Experienced bankers or experts in finance * *Cont* Box 413320, Hindustan Times, New Delhi 110001 (HT-9.2)

EAST

- MANAGING DIRECTOR * Calcutta * *Sal* Rs.20,000 + flat + car perks * *Age/Qlfn* 45-58 years * NS * *Reqd* A turnaround expert with experience in West Bengal, a hard taskmaster with marketing/production background * *Cont* Chairman, ABC Consultants Pvt Ltd, 43/3 Hazra Road, Calcutta 700019 (BI-6.2)
- VICE-PRESIDENT (Commercial) * Calcutta * *Sal* NS * *Age/Qlfn* Around 45 years * Electrical engineering degree desirable * *Reqd* Successful track record in high pressure marketing ability to increase turnover appreciably * *Cont* Box No AA/285/LG/1, Business India, Wadia Building, 17/19 Dalal Street, Bombay 400001 (BI-6.2)
- VICE-PRESIDENT (Projects) * Calcutta * *Sal* NS * *Age/Qlfn* Around 45 years * Electrical engineering * *Reqd* Experience in managing large, multiple electrical contracts and in profit centres * *Cont* Box No. AA/285/LG/2, Business India, Wadia Building, 17/19 Dalal Street, Bombay 400001 (BI-6.2)

SOUTH

- VICE-PRESIDENTS * South India * *Sal* Excellent * *Age/Qlfn* Around 40 years * Engineers with electronics/mechanical * *Reqd* Indepth experience in manufacture of video/audio equipment or washing machines/cooking range etc * *Cont* Personnel Selection Division, ABC Consultants Pvt Ltd, 4, Jagannathan Street, Madras 600034 (BI-6.2)
- VICE-PRESIDENT (Manufacturing) * Kakinada * *Sal* Excellent terms * *Age/Qlfn* 40-45 years * Engineers with MBA * *Reqd* 2 years experience * *Cont* Chairman, Apex Management Consultin Group Private Ltd, C-1 Rams Square, 2 Village Road, Madras 600034

OVERSEAS

- RESIDENT DIRECTORS * Africa Middle East * *Sal* Excellent allowance + perks * *Age/Qlfn* NS * NS * *Reqd* 8-10 years experience in international business; knowledge of Arabic Portuguese Spanish/French would be preferred * *Cont* Post Box No 352 New Delhi 110024 (BI-6.2)
- CHIEF EXECUTIVE (Trading) * Gulf * *Sal* Rs.30,000-Rs.40,000 per month + perks * *Age/Qlfn* 35-40 years * NS * *Reqd* Good family background, outgoing personality * *Cont* ABC Consultants Pvt Ltd, 303, Embassy Centre, Nariman Point, Bombay 400021 (HT-8.2)
- CHIEF EXECUTIVE (Trading) * Gulf * *Sal* 30,000 + 40,000 attractive perks * *Age/Qlfn* 35-40 years * NS * *Reqd* Experienced profit centre management of diverse trading activities * *Cont* ABC Consultants Pvt Ltd, 303, Embassy Centre, Nariman Point, Bombay 400021 (H-9.2)

Executive positions

TOI — Times of India; *IE* — Indian Express; *H* — The Hindu *S* — Statesman; *HT* — Hindustan Times; *ET* — Economic Times; *Econ* — Economist; *BI* — Business India

ATIONAL

MANAGER (MIS & Budgeting) * Bombay * *Sal* Attractive remuneration * *Age/ Qlfn* NS * Bcom/Bsc with MBA or ACA * *Reqd* 3-4 years' experience knowledge of computers essential * *Cont* Vice President (Finance), Eureka Forbes Limited, 4th Floor, Forbes Bldg, Charanjit Rai Marg, Fort, Bombay 400001 (ToI-1.2)

MANAGER (Project Finance & Costing) * Bombay * *Sal* Remuneration attractive * *Age/ Qlfn* NS * MBA in Finance with costing qualifaction * *Reqd* Minimum 2 years' experience in Industry/ Financial institutions * *Cont* Vice-President (Finance), Eureka Forbes Limited, 4th Floor, Forbes Bldg, Charanjit Rai Marg, Fort, Bombay 400001 (ToI-1.2)

INTERNAL AUDITOR * *Sal* Commensurate with qualifications and experience * *Age/ Qlfn* 30-35 years * Accountant * *Reqd* 5 years experience in operations/management audit * *Cont* The Manager (Adm & HRD), South India Viscose Ltd, 1078 Avanashi Road, Coimbatore 641018 (ToI-1.2)

WORKS MANAGER * Central India * *Sal* Attractive + perks * *Age/ Qlfn* 38-48 years * Metallurgical engineer * *Reqd* 7-10 years experience in production of special and alloy steels concast bullets * *Cont* T. Sengupta, Manager, ABC Consultants Pvt Ltd, 43/3 Hazra Road, Calcutta 700019 (ToI-1.2)

PRODUCT MANAGER (Exports) * *Sal* Commensurate with experience and qualifications * *Age/ Qlfn* 30-40 years * CA/MBA * *Reqd* 5 years experience * *Cont* The Executive Director, RPG Enterprises, 463 Dr Annie Besant Road, Bombay 400025 (ToI-2.2)

SENIOR MANAGER (Projects) * Bangalore * *Sal* Attractive * *Age/ Qlfn* NS * MBA/CA, graduates in computer science * *Reqd* 3 years experience in software project management overseas * *Cont* D. Chaudhuri, Director, Index Computing Pvt Ltd, D2 Middle Block, Third Floor, Shariff Chambers, 14 Cunningham Road, Bangalore 560052 (ToI-2.2)

BUSINESS ANALYST * Bangalore * *Sal* Attractive * *Age/ Qlfn* 30 years * MBA/CA with systems specialisation * *Reqd* 4-6 years direct industry experience * *Cont* Mr D.Chaudhuri, Director, Index Compiling Pvt Ltd, D2, Middle Block, 3rd floor, Shariff Chambers, 14 Cunningham Road, Bangalore 560052 (ToI-2.2)

MARKETING MANAGER * New Delhi * *Sal* Rs.20,000 pm gross * *Age/ Qlfn* 35 years * MBA * *Reqd* Proficient in French. 5-10 years experience in product and sales management * *Cont* A.F. Ferguson Associates, Hansalaya, Barakhamba Road, New Delhi 110001 (ToI-2.2)

GENERAL MANAGER (Works) * Bombay * *Sal* Attractive * *Age/ Qlfn* NS * Chemical engineering * *Reqd* 15 years senior level experience * *Cont* Lovelock & Lewes (MCS 955), Mahindra House, 15, J.N. Heredia Marg, Ballard Estate, Bombay 400038 (BI-6.2)

GENERAL MANAGER * *Sal* Attractive * *Age/ Qlfn* 35-40 years * NS * *Reqd* 10 years senior level experience in an export/trading house of repute * *Cont* Executive Director, RPG Enterprises, 463, Dr. Annie Besant Road, Bombay 400025 (BI-6.2)

REGIONAL MANAGERS * Jabalpur, Ghaziabad, Patna, Hyderabad * *Sal* Rs.1 lakh pa + house + car + perks * *Age/ Qlfn* 30-35 years * Post graduation in management preferred * *Reqd* 7 years experience with consumer durables, ability to handle administration and accounts * *Cont* C.S. Bhargava, ABC Consultants Pvt Ltd, 209 Meghdoot, 94 Nehru Place, New Delhi 110019 (BI-6.2)

MANAGEMENT CONSULTANT (Information Technology) * Bombay * *Sal* Attractive * *Age/ Qlfn* NS * NS * *Reqd* 3-5 years experience in systems development, exposure to RDBMS, Unix & C * *Cont* Lovelock & Lewes (MCS 953), Mahindra House, 15 J N Heredia Marg, Ballard Estate, Bombay 400038 (BI-6.2)

MANAGEMENT CONSULTANT (Human Resources) * Bombay * *Sal* Attractive * *Age/ Qlfn* 30-35 years * Post graduation in personnel management * *Reqd* 2-5 years relevant experience * *Cont* Lovelock & Lewes (MCS 953), Mahindra House, 15, J.N. Heredia Marg, Ballard Estate, Bombay 400038 (BI-6.2)

- MARKETING MANAGER * New Delhi * *Sal* NS * *Age/ Qlfn* NS * MBA with marketing * *Reqd* 8-9 years experience in a consumer/ consumer durable/office automation company, 3-4 years in product management, exposure to advertising etc, essential * *Cont* The General Manager (Marketing), United Database (India) Pvt Ltd, 221, Hans Bhawan, New Delhi 110002 (BI-6.2)
- MANAGER (Distribution) * Ahmedabad * *Sal* Not a limiting factor * *Age/ Qlfn* 35-40 years * Engineering background an advantage * *Reqd* 5-7 years relevant senior-level experience * *Cont* General Manager (Works), Vadilal Industries Ltd, Dudheshwar Road, Ahmedabad 380004
- CORPORATE COMMUNICATIONS MANAGER * *Sal* NS * *Age/ Qlfn* NS * NS * *Reqd* A creative streak, a talent for communications and image-building projects * *Cont* Sukumar V.Shah, Sr. Vice-President (Designate), Mukand Iron and Steel Works Ltd, Bajaj Bhavan, 3rd Floor, Nariman Point, Bombay 400021 (BI 6.2)

OVERSEAS

- FINANCE MANAGER * Dubai * *Sal* Attractive + housing + car + passage * *Age/ Qlfn* Around 35 years * Chartered Accountants * *Reqd* Middle/senior mgmt personnel with exposure to computerised systems and multinational enviornments * *Cont* A.F. Ferguson & Co, PO Box 1786, Bombay 400001 (BI-6.2)
- AREA SALES MANAGER (Consumer Products) * Riyadh * *Sal* Sr 7,000 per month tax free + benefits * *Age/ Qlfn* 30-40 years * Good university degree and MBA * *Reqd* Atleast 10 years experience in selling fast moving consumer products * *Cont* Datamatics Staffing Services, P.O. Box No 106, GPO, Bombay 400001 (HT-8.2)
- PRODUCTION MANAGER * Nigeria * *Sal* NS * *Age/ Qlfn* 30-40 years * Degree in Pharmacy/Chemistry * *Reqd* Atleast 3 years experience * *Cont* P.O. Box 16587, Shivsagar Estate, Worli, Bombay 400018 (ToI-12.2)
- SENIOR MIRCO COMPUTER HARDWARE ENGINEER * Bahrain * *Sal* Generous tax free salary * *Age/ Qlfn* Degree in electronics/ electrical engineering * *Reqd* Minimum 5 years experience with 3 years on PC/XT/AT hardware systems * *Cont* Reference No 1000, P.O. Box 224, Manama, Bahrain (Arabian Gulf) (ToI-12.2)
- SOFTWARE DEVELOPMENT CONTROLLER * UAE * *Sal* Excellent compensation package * *Age/ Qlfn* NS * Engineering degree from a reputed university * *Reqd* 8 years experience in consultancy * *Cont* Datamation Systems, SW-3, P.O.Box 7310, Abu Dhabi, UAE (ToI-12.02)

Nagarjuna Investment Trust Limited

The Nagarjuna Group of Companies is a fast growing corporate conglomerate with diversified activities in the fertilizer, steel and finance industries. Nagarjuna Fertilizers and Chemicals Limited is implementing its prestigious Rs. 635 crore fertilizer project. The Steel companies of the group are currently undertaking expansion and diversification programmes. The Capital Markets Group comprising Nagarjuna Finance Limited and Nagarjuna Investment Trust Limited, have an innovative and forward looking programme, that provides exciting avenues for creativity and professional growth. Nagarjuna Investment Trust Limited is now looking for

CHIEF EXECUTIVE

Hyderabad **Excellent Terms**

Applicants should be Chartered Accountants, MBAs (Finance) or Engineer MBAs with an excellent background, in the age group of around 35 years with 10 years post qualification experience in finance, general management or marketing function.

The candidate we are looking for should be holding a senior position comparable to Chief Executive or Vice President in a Financial, Commercial or Industrial unit. Experience in Leasing, Hire purchase, Financial services is not essential.

The position offers excellent career prospects in the group and an attractive remuneration package comparable with the best in the industry.

Please apply within 10 days giving full details and a photograph to :

Chairman
Apex Management Consulting Group Pvt Ltd.
C-1, Rams Square, No.2, Village Road
MADRAS - 600 034.
Tel-474348.

amcon

PEPSI, VOLTAS, PUNJAB AGRO JOINT VENTURE

The joint venture company is engaged in the food processing, export, snack food and beverage businesses. The company management will be result-oriented and manned by a young, dynamic and motivated team of professionals. We are recruiting for the finance function. All positions are based in Delhi.

VP FINANCE

FINANCIAL CONTROLLER

ACCOUNTANT

The VP will head the finance team. The key responsibility area would cover development of financial policies, procedures and strategies to ensure proper financial control and protection of company assets, treasury functions, business planning and analysis, managing data systems and supervising the company secretarial role. He will be assisted by the Financial Controller in implementing company control procedures and systems, ensuring compliance to local regulations, day to day management of cash and accounts and financial planning and analysis. The Accountant will be responsible for functioning of day to day accounting, payroll, tax issues and compliance with statutory requirements.

Candidates for all three positions must be Chartered Accountants with a high degree of commitment, initiative and motivation to succeed. They must have operated in a competitive environment with a multinational group and be familiar with computers. Those with public accounting experience could also be considered. Young achievers would be preferred with an outside age limit of 38 years.

An excellent salary and perquisite package is being offered to attract the best managerial talent.

Please apply immediately in strict confidence to:

A. F. Ferguson Associates
Post Box 1786
Bombay 400 001

giving details of age, qualifications, experience and salaries drawn. All applications/envelopes should be marked 'Ref. MS/5039' and the position being applied for.

TVS Whirlpool

requires

Senior Sales,

Service and Marketing Professionals

Pondicherry **Very attractive terms**

Vice-President (Marketing)
All India Sales Manager
All India Service Manager
Marketing Services Manager
Customer Relations Manager
Sales Administration Manager
Sales Training Manager
Product Manager

TVS Whirlpool is promoted by Sundaram-Clayton and Whirlpool Corporation, USA. It is setting up a project at Pondicherry for the manufacture of a range of appliances including Washing Machines, Dishwashers and Refrigerators.

The Company is looking for top performers in Sales, Service and Marketing. TWL offers selected candidates the challenge of a goal-oriented work environment and the satisfaction of working with a highly motivated team.

Vice-President (Marketing)
You will have the overall responsibility of evolving and implementing marketing strategies to achieve leadership position in a highly competitive field. A minimum of 15 years' experience (with 5 years at a senior level) preferably in a consumer durable industry will be considered an advantage.

All India Sales Manager
You will be responsible for establishing the sales network all over the country and ensuring supportive services for smooth sales operations. You will build up the sales team, guiding and monitoring sales activities and ensuring target achievements. A minimum of 12 years' experience preferably in handling consumer durable products is desirable.

All India Service Manager

You will be responsible for setting up and maintaining a service network, and formulating service policies.

You will closely liaise with the customer relations department and furnish product performance feedback from the market.

You will be an engineering graduate with relevant experience of 12 years.

Marketing Services Manager

You will be responsible for market research and intelligence. You will also help formulate and implement advertising strategies and monitor sales promotion activities.

You will be a post-graduate in Business Management with 10 years of relevant experience.

Customer Relations Manager

You will be in charge of developing the infrastructure for monitoring consumer trends, imparting customer education and responding to customer needs. You will initiate high level interaction with customers to ensure satisfaction with the company's products and services.

A minimum of 10 years' relevant experience is desirable.

Sales Administration Manager

You will set up the necessary infrastructure for the smooth movement of finished products from the factory to the regional warehouses.

You will be involved in the planning and co-ordination of product despatches, monitoring stock levels and ensuring optimum availability of warehouses and transport facilities.

A minimum of 10 years' relevant experience is desirable.

Sales Training Manager

You will identify the training needs of operating sales personnel at all levels. You will design and organise training programmes to develop the sales force.

You will also formulate and implement appropriate strategies to enhance the marketing and managerial capabilities of dealers.

A minimum of 10 years' relevant experience is desirable.

Product Manager

You will interact continuously with Marketing, Service and R&D functions, to co-ordinate product development and marketing strategies.

You will scan the national and international product environment and be instrumental in improving and developing products in line with current and future trends.

You will be an engineering graduate with post-graduate degree in Business Management and 10 years of relevant experience.

All the above positions offer excellent opportunities for growth.

Send in your resume on A4 size paper to:

The Senior Manager (HRD)
TVS Whirlpool Pvt. Ltd.
178, Kodambakkam High Road, Madras-34

or

Call us at telephone no. 044 (Madras) — 477547 and leave details including your name, telephone no., contact address and the position applied for. Our HRD will get in touch with you.

TVS W. 1058 88 A

OSWAL AGRO MILLS LTD.

Oswal Agro Mills Ltd., a fast expanding Company has recently diversified into Petrochemicals and require the following personnel, to be located at Bombay.

VICE PRESIDENT (HUMAN RESOURCES)

The incumbent will head the Human Resources management activity of the Company. The key areas of responsibility will be formulation and review of personnel policies, maintenance of harmonious employee relations, organisation development and management of the training activities of the Company.

Applicants must be mature professionals, with post graduate qualifications in Personnel Management and at least 5 years' experience managing similar activities at a senior level. The selected individual will have a high degree of professional competence and excellent human relations skills. Preferred age: 40-45 years.

VICE PRESIDENT (MARKETING)

The incumbent will assume overall charge of the marketing and sales function. He will be responsible for generating growth opportunities, developing the market for the Company's Plastics, Petrochemical and Chemical products, formulating and implementing marketing strategies and building a strong market base.

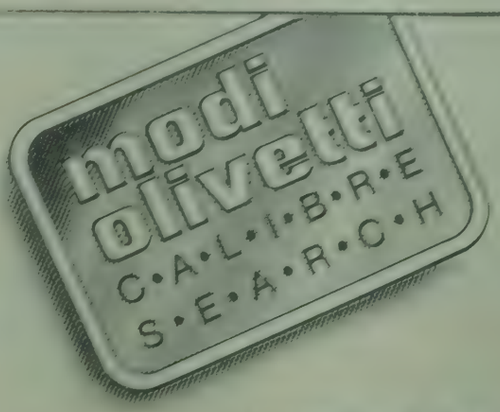
The position demands a high degree of conceptual capabilities, a creative and dynamic marketing approach and excellent communication skills. Applicants must have a post graduate qualification in Marketing Management with at least 10 years' experience preferably in the Chemical/Petrochemical industry. Preferred age: 40-45 years.

The positions offer compensation packages comparable with the best in industry.

Applications furnishing complete details should be forwarded within 10 days to:

Vice President (Administration)
OSWAL AGRO MILLS LIMITED,
65-B, MITTAL COURT, NARIMAN POINT, BOMBAY-400 021.

PRESSMAN



General Manager
Finance

A pivotal position in the company's top management team, the job entails complete overall responsibility of diverse financial and accounting functions.

The incumbent will report directly to a Director Nominee from Olivetti. A reflection of his significant role in formulating strategies and taking decisions vital to the company's growth and profitability.

Financial accounting, budgeting, management reporting, tax planning and working capital management will constitute a major part of the responsibility spectrum.

Job parameters also include management of issues, funds' mobilisation for new projects, resource and investment planning, and dealing with financial institutions.

Outstanding Chartered Accountancy qualifications are a requisite, along with 8-10 years' experience as an accounts head. Exposure to the electronics industry is desirable but not essential. Age, around 40 years.

The position offers excellent career opportunities and potential for growth. Compensation will relate absolutely to calibre, and will match or exceed the best in the industry.

Please correspond in strict confidence, within a week, at the address given below.

Modi Olivetti. A trailblazing company born of a collaboration between the Modi Group and Olivetti of Italy. Poised to launch state-of-the-art micro and mini computers, in the same tradition of excellence that has made Olivetti the market leaders in Europe. A company that is now creating an exclusive human resource pool to man its varied, dynamic environment.

modi olivetti

Leadership begins with people.

Write to: The Managing Director, Modi Olivetti Ltd., 13th Floor, Hemkunt Tower, 98 Nehru Place, New Delhi-110 019. Ph : 6434544.

Pune

Attractive Salary + Housing + Perks

General Manager

Heavy Engineering Industry

(Ref HRD-1014)

A reputed, rapidly-growing, Pune-based company engaged in **marketing, design & engineering and manufacture**, with operations in diverse fields, a projected turnover of Rs.150 crores and prestigious foreign collaborations, wishes to recruit a suitable candidate for one of their heavy engineering divisions which has a turnover of around Rs.40 crores. The Company has further diversification and growth plans and this person will perform an important role in these.

The vacancy is for a very senior Management position and the manager would be responsible for all techno-commercial functions using the latest technology.

Candidates must be Engineering graduates with at least 10 years' management experience.

Age: around 45 years

The remuneration and perquisites package, including free housing, will not be a constraint for the right candidate.

Please apply in strict confidence with a detailed bio-data and passport-size photograph, superscribing on the envelope the reference number of the post, to:
AA/286/LB/3, **Business India,** Wadia Building, 17/19 Dalal Street, Fort, Bombay 400 001.

Nuchem Plastics Ltd.

Ours is a multi unit, multi product professionally managed fast expanding industrial group. The group is implementing a 35 crore high-tech project of Medium Density Fibre Board in collaboration with the world leaders in the field — Sunds Defibrator of Sweden. The works site is at Tohana in Distt. Hissar (Haryana). We are looking for an outstanding professional to fill in the key position in the manufacturing operations, at the top Management Level.

GENERAL MANAGER (OPERATIONS)

Age : Around 40/45 years
Location : TOHANA (Haryana)

The incumbent will be independently responsible for entire manufacturing operations of the plant including Production, Cost control, Materials management, Engineering Services, Quality Control, Personnel administration, Product Development etc.

Candidate should be engineer with 15-20 years experience in successfully managing manufacturing operations in a process industry out of which at least 5 years should be as an independent incharge of works. Essentially he should be a good administrator and capable professional in the field of man management. A resourceful personality with maturity to lead a team of Sr. Managers is essential. Candidates having knowledge and experience in the Board/plywood industry would be preferred. The position reports to Executive Director & provides a high degree of autonomy in managing the unit.

The remuneration package will be handsome together with perks that go for a top Management assignment. Salary will not be a constraint for the right candidate.

If interested, please apply within 15 days stating Age, Qualifications, Past experience, emoluments expected and contact telephone no., to

Executive Director (MDF)

Nuchem Agro Products

(Div. of Nuchem Plastics Ltd.)
14, Community Centre,
New Friends Colony,
New Delhi-110065.

WALCHANDNAGAR

Company manufactures Heavy Engineering Equipments for various fields such as nuclear power, space research, cement and sugar machinery, industrial boilers, heavy duty gearboxes etc.

requires

★ GENERAL MANAGER (MATERIALS)

Activities being project-oriented, wide-ranging experience in procurement of raw materials, components, proprietary items, sub-contracting, imports etc. is desired. Should be well-versed with import/export regulations.

★ AGM (INDUSTRIAL ENGINEERING)

★ CHIEF INVENTORY CONTROLLER

★ CHIEF WELDING TECHNOLOGIST

A Post-Graduate in Metallurgy/Welding Technologist with in-depth experience in welding/fabrication of coded vessels, exotic materials like austenitic stainless steels, maraging steel, titanium, aluminium alloys.

Location - Walchandnagar, Dist. Pune.

Attractive remuneration package including housing will be provided by the Company.

Persons with proven track record should apply to :

Vice President
(Personnel and Administration)
Walchandnagar Industries Limited
Walchandnagar : 413 114,
Dist.: Pune.

BAMBINO GROUP OF COMPANIES

We are a Hyderabad Based Fast Growing Company. The Group is already in operation in the Areas of Manufacturing Vermicelli, Tobacco Processing, Health Care and other Food Products. The Group enjoys Market Leadership in Vermicelli and Tobacco.

The Group requires the following Senior Personnel for the Head Office at Hyderabad :

FINANCE MANAGER

The incumbent will report to the Chief Executive of the Company and look after the entire Finance function of the Company, shall be responsible for Finance and Accounts, Costing, Budgetory Control, Working Capital Management, Funds Flow, Negotiation with Banks and Financial Institutions and Taxation.

Candidates should be a 'Chartered Accountant' with excellent track record having 15 to 20 years experience of which minimum 5 years should be at a Senior level coupled with sound business sense.

ACCOUNTS MANAGER

The incumbent will report to the Finance Manager and will look after the Accounting Functions of the Company. In addition, he will have to provide sound support to the Finance Manager in the areas of Accounting, Costing, Budgetory Control and Management information. Good knowledge of Central Excise and Sales Tax essential.

Candidate should be preferably a 'Chartered Accountant' with 8 to 15 years experience of which 3 years in a Senior position. The remuneration package will be commensurate with experience.

Apply within 10 days with detailed bio-data enclosing a recent Passport Size Photograph to :

THE MANAGING DIRECTOR
'BAMBINO GROUP OF COMPANIES'
5-9-30, BASHEERBAGH
HYDERABAD-500 029.

PPS

MANAGEMENT PROFESSIONALS (ENGINEERING INDUSTRY)

BOMBAY **EXCELLENT TERMS**

Our clients are in the business of marketing and distribution of imported and indigenous capital equipment. The organisation has a wide network all over India and enjoys a leading position in the field. The Company is planning to go public very shortly. To enhance the current growth rate, the Company is planning to augment its senior managerial team. It requires the following top-rank professionals.

MANAGER FINANCE & COMPANY LAW

The incumbent will be responsible for finance, company law matters and general administration. He should have hands-on experience in the above functions and be willing to work independently. The position reports to the Managing Director. A finance professional, preferably a qualified Company Secretary with at least 15 years' experience, will be suitable for this position. Experience in managing public issue will be advantageous. Age around 45 years.

DGM – MARKETING (CAPITAL EQUIPMENT)

The selected person will be responsible for marketing of imported and indigenous equipment all over India. His responsibilities include the entire gamut of marketing and after-sales services and strengthening the marketing network. He will report to the Joint Managing Director. Engineers preferably with qualifications in Marketing Management with relevant experience of over 15 years will be suitable for the job. Age 40–45 years.

Both the positions are at a very senior-level and based in Bombay. Compensation will be very attractive and shall not be a constraint for the deserving candidates.

Please apply in confidence within ten days giving full biographical particulars including experience, name of the present employer, current and expected emoluments and a passport-size photograph to:

PERSONNEL & PRODUCTIVITY SERVICES
(A Division of Tata Consultancy Services)
Army & Navy Building
148 Mahatma Gandhi Road
BOMBAY 400 023

CHAITRA-B PPS 15

Max India Limited, an associate of Ranbaxy Laboratories Ltd., is a professionally managed and growing company with annualised sales of around Rs. 30 crores. The company is a leading manufacturer of drug intermediates and speciality chemicals and is actively diversifying into packaging, adhesives, and fermentation based products.

For its diversification into adhesives, sealants and coatings, the company proposes to set up a joint venture company in technical and financial collaboration with the Bostik Division of Emhart Corporation, U.S.A. Emhart, a reputed U.S. Fortune 500 company owns Bostik companies worldwide where the name Bostik is synonymous with adhesives. The company's Head Office shall be located in Delhi and its plant at Dadri near Ghaziabad outside Delhi. For the proposed joint venture company, we now require:

CHIEF OF MARKETING

DELHI

The incumbent will report to the Business Head of the joint venture company. The job responsibility would include strategising market entry; market planning; setting budgets and targets; and, finally meeting the set marketing objectives. In addition, the incumbent would be expected to provide major inputs for company's business plans and corporate strategies, related to the packaging industry.

The incumbent will build his marketing team from grass roots.

The candidates should be in the age group 30-35 years; MBAs or equivalent with 10 years experience out of which 5 years should be in the marketing function in a similar or related industry. Familiarity with footwear, automotive and construction industry will be an asset.

The incumbent must be a self motivated and innovative person who understands approaching business as a process of offering services and systems rather than products alone.

Only persons holding senior positions should apply.

PROJECT MANAGER

DELHI

The incumbent will report to the Business Head of the Joint Venture company and will be responsible for timely, cost effective and successful execution of the project from drawing board stage to start up and commissioning. The job also involves liaison work with various government agencies for obtaining clearances.

Candidates should be in the age group 30-35 years, graduate Mechanical/Chemical Engineers with minimum 8 years experience out of which atleast 4 years should be hands on experience in project implementation of Chemical plants. Those with a wider experience relating to civil, mechanical, chemical and electrical engineering aspects of projects and with a track record of implementing projects independently will be given preference.

On successful completion of the project the incumbent will either assume line responsibility in the joint venture company or head the general project engineering cell of the group.

Compensation package will be comparable to the best in industry and will not be a limiting factor for the appropriate candidates. The positions offer excellent growth prospects.

Applications with details of age, education, qualification, experience and specific career achievements should be sent within 7 days to:

SR. MANAGER-CORPORATE PERSONNEL
MAX INDIA LIMITED
DEVIKA TOWER,6, NEHRU PLACE,NEW DELHI-110019

The position applied for should be superscribed on the application and envelope.

हिन्दुस्तान एंटिबायोटिक्स लि.
(भारत सरकार का उद्यम)
HINDUSTAN ANTIBIOTICS LIMITED
(A Government of India Enterprise)

HINDUSTAN ANTIBOITICS LTD., Pimpri, a Public Sector Company manufacturing and marketing diverse range of bulk drugs and ethical formulations :

NEEDS

1. CHIEF MANAGER (QCL & QAC) : — ONE POST GENERAL

The candidate should preferably have a Doctorate degree in Chemistry/Microbiology/Pharmacology/Pharmacy. Should have atleast 12 years' experience in the Quality Control & Quality Assurance function in Drug/Pharmaceutical industry, of which, five years should be in a Managerial position. Should have thorough knowledge of Drugs Act and be recognised by appropriate FDA. Those who applied for this post earlier need not apply again.

Familiarity with modern instrumental analysis is essential. This position reports to Managing Director.

Age : 40-50 years.

Scale of pay : Rs. 2700-100-3400 (likely to be revised). Other benefits. Total at minimum of pay Scale : 4656/-.

2. MARKETING MANAGER — TWO POSTS ONE POST GENERAL ONE RESERVED FOR ST.

Degree in Science or Pharmacy preferably with professional qualifications in Business Management/Marketing Management with successful sales career in Marketing and Sales promotion of Pharmaceutical products. 12 years of experience is desirable of which 4 years should be in a senior responsible position in promotion/sales management of Pharmaceuticals. Selected candidate may be posted any-where in India.

Specifications may be relaxed at the discretion of management in respect of outstanding and result oriented candidates.

Age : 45 years.

Scale of pay : Rs. 2500-100-3200 (likely to be revised). Other benefits. Total at minimum of pay scale Rs. 4276/-.

3. ASSISTANT ACCOUNTS OFFICER/ JR. ACCOUNTS OFFICER — TWO POSTS ONE POST GENERAL ONE RESERVED FOR SC.

Candidates should be CA/ICWA/M.COM. with 2/4 years Supervisory experience in Finance Dept. of an organisation of repute. Specifications may be relaxed in case of exceptionally deserving candidates as also candidates belonging to SC/ST.

Age : 25-30 years.

Scale of pay : Rs. 1000-40-1640/- Rs. 900-40-1300 (likely to be revised). Other benefits. Total at minimum of pay scale : Rs. 2203/-/2097/-.

4. ASSISTANT TRAINING OFFICER/JUNIOR TRAINING OFFICER : — ONE POST GENERAL

Degree/Diploma in Mechanical Engineering with minimum 2/4 years' experience in Maintenance department of a Chemical Plant. Thorough knowledge and practical experience in all workshop operations is essential. Candidate will be required to set up basic training facilities and impart theoretical and practical training to apprentices and trainees of the Company. Previous experience in teaching will be an advantage.

Age : 25-30 years.

Scale of pay : Rs. 1000-40-1640/- Rs. 900-40-1300 (Likely to be revised.) Other benefits Total at minimum of pay scale Rs. 2203/-/2097/-.

Other benefits include HRA, if Co's accommodation is not available, conveyance expenses reimbursement, medical benefits, CPF, Gratuity, LTC, Leave encashment, etc. as per the rules of the Company.

GENERAL :

Persons meeting the specifications may send their applications within 10 days of publication at the following address with complete biodata, a passport size photograph Indian Postal Order of Rs. 8/- (No IPO for SC/ST Candidates) drawn in favour of HINDUSTAN ANTIBIOTICS LTD., Pimpri, Pune – 411 018 payable at Penicillin Factory Post-Office

Candidates with the above or equivalent qualifications with less expenence could be considered for a post one level below Specifications may be relaxed in deserving cases and for SC ST Candidates. Higher start can be considered in deserving cases Candidates called for interview will be paid to and fro Ist IInd class rail/busfare by the shortest route as per the rules of the Company Persons currently working in Public Sector or Govt Departments should apply through proper channel to

Personnel Manager, HINDUSTAN ANTIBIOTICS LIMITED, Pimpri, Pune – 411 018.

Advt. No. 45/88

PIONEERS IN THE MANUFACTURE OF ANTIBIOTICS IN INDIA

Blue Star's Telecommunication Systems & Components Department markets and supports a range of Components from world leaders such as Hewlett-Packard, USA and Radiall, France.

The range of components include Opto Electronic Devices, Motion Control and Sensing Devices, Fibre Optic Transmitters/Receivers, Microwave Semiconductor Devices, RF, Microwave and Fibre Optic Connectors.

We have ambitious plans to increase our market share in Components and to drive these plans we require:

PRODUCT MANAGER
COMPONENTS
Bombay

Job: To co-ordinate all—India sales activities to meet targets. To provide technical/application support to the field. To plan and implement advertising and sales promotion activities. To identify growth markets, devise and execute business strategies and tactical plans to capture those market segments.

Requirements: Graduate Engineer with specialization in Electronics & Telecommunication and 5-6 years' experience, of which he should have had direct involvement in Components sales for at least 3 years. Should be familiar with import policy and formalities involved in selling imported Components. Should have excellent communication skills as the job requires co-ordination of various activities with our Principals and also liaison with senior executives in customer organisations.

Sound technical background and effective communication skills are essential as the job involves intensive interaction with the scientific community.

Remuneration: Will match the best in the industry.

Kindly apply within 10 days specifying age, educational qualifications, nature of experience and salary drawn, to the Manager—Personnel, BLUE STAR LIMITED, Sahas, 414/2 Veer Savarkar Marg, Prabhadevi, Bombay 400 025.

BLUE STAR

ABC's major specialisations include Corporate Consultancy

Organised Cost Reduction ● Technology Transfer ● Project Reports ● Operations Research ● Industrial Engineering

SWOT Analysis ● Systems & Procedure ● Business Negotiations ● Socio Economic Studies ● Computer Feasibility

Our clients are a highly profitable, **rapidly expanding** and professionally managed company engaged in the manufacture & marketing of **Precision Engineering Products.** Present sales turnover of Rs 50 Crores is targetted to be doubled in the next 3 years. Various upstream & downstream diversification projects are in hand.

WORKS MANAGER
Compensation Negotiable

He will be incharge of the principal works of the company, which is engaged in the manufacture of sophisticated **steel-based engineering products** and will be located in a District Town in Maharashtra. Will guide & supervise a group of senior professionals and will have to set & achieve targets of output, quality, costs and employee relations. Should be Mechanical Engineer with atleast 10 years of shopfloor experience in a heavy engineering industry at senior managerial level. Must have requisite conceptual, planning and leadership skills for rapid promotion to GM's position. Age Group 38-45. Code WME/CAL/2551.

MANAGER—ENGINEERING SERVICES
Rs 1,30,000/- (Gross) + Perks

He will be incharge of **maintenance functions as well as design & development team.** Must be a Mechanical Engineer with sufficient technical & managerial skills to lead a team of Mechanical/ Electrical/Electronic Engineers for all preventive & breakdown maintenance and continuously make process improvements. Age Group 35-40. Code MES/CAL/2552.

PROJECT MANAGER
Compensation Negotiable

He will be incharge of a **large Metallurgical Diversification Project** in hand in a non-metro town of Maharashtra. Must be able to contribute to different phases of project conceptualisation & implementation and thereafter run the Works as a Profit Centre. Ideal candidate will be Metallurgical Engineer with 10 years experience in steel melting; technologically upto date and innovative. Must have techno-commercial skills to lead project team for execution of the project within prescribed time & cost parameters. The position will be initially located in a major city of Maharashtra but is likely to be relocated to a non-metro town nearer to the Works with adequate amenities within a year. Furnished house, car & driver will be provided on such relocation. Age Group 40-45. Code PME/CAL/2553.

2 ASSISTANT PROJECT MANAGERS
Rs 1,00,000/- (Gross) + Perks

They will be part of Project Manager's Team for implementing the project and thereafter will take over as Functional Heads in the project in operation or maintenance functions. Should be Metallurgical/ Mechanical Engineers with 6/8 years experience in steel plants or large engineering industries. Age Group 35-40. Code APM/CAL/2554.

These positions are for **state-of-the-art Metallurgical Manufacturing Unit/Project** and selection criteria will be tough & exacting. Work environment will be totally professional and independence & initiative will be rewarded through rapid promotions. Please write to **B P Agrawal, Chairman** and mark the envelope & enclosures with respective job title & code.

ABC CONSULTANTS PRIVATE LIMITED

43/3, Hazra Road, Calcutta 700 019; Phones 47 3688 (5 Lines)

Data Processing ● Computer Software Packages ● Materials Management

BETTER EFFLUENT TREATMENT

In The Heart Of The Treatment...

1. NO PUMP PIT. NO PROBLEMS

The most recent generation of helical rotor pumps-Roto's NA series B.E.T. pumps have a high cavitation free suction lift capability upto 8.5 MWC. Hence the need for a pump pit is removed as Roto B.E.T. pumps can be mounted at ground level itself. The advantage-easier accessibility and easy maintenance. The danger of the 'Heart' getting drowned is eliminated.

2. NO FOOT VALVE. NO CLOGGING.

The need for a foot valve (which often gets clogged and is difficult to maintain) is removed in Roto B.E.T. pumps since these are self-priming positive displacement type.

3. IT UNDERSTANDS MICROBES

Roto B.E.T. pumps have low internal velocity and are specifically designed to handle Shear Sensitive Microbial Organisms so gently as to ensure the stability of the biological treatment process.

4. HANDLING DRY SUBSTANCES WON'T LEAVE YOU HIGH & DRY

Roto WNA Series B.E.T. pumps can easily handle solids upto 80%. The advantage-it is a superior replacement to costlier and high power consuming reciprocating pumps or Chain Conveyors which used to be conventionally used for transporting dewatered, digested sludge etc.

5. METERED FLOW-WHAT MATTERS MOST

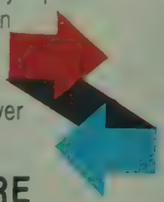
Accurate metering of fluids is possible with Roto B.E.T. pumps. By merely changing pump speed flow rates can be changed with ease since flow rates are independent of delivery head and just governed by speed.

...Lies The Secret!

Pumps form the heart of the Effluent Treatment System. Roto's NA series B.E.T. pumps are specially designed to actually improve the Effluent Treatment itself and cut costs at the same time. The critical application areas being-handling Raw Sludge, Dewatered Sludge, Chemicals, Nutrients and muck that's encountered in the Treatment.

6. REVERSIBILITY - VERSATILITY

A handy feature in Bio-Gas generation systems where the whole mass of digested sludge needs to be kept agitated. Roto B.E.T. pumps conveniently replace conventional Archimedian screw pumps. By simply changing the direction of rotation of the prime mover the pump is reversed.

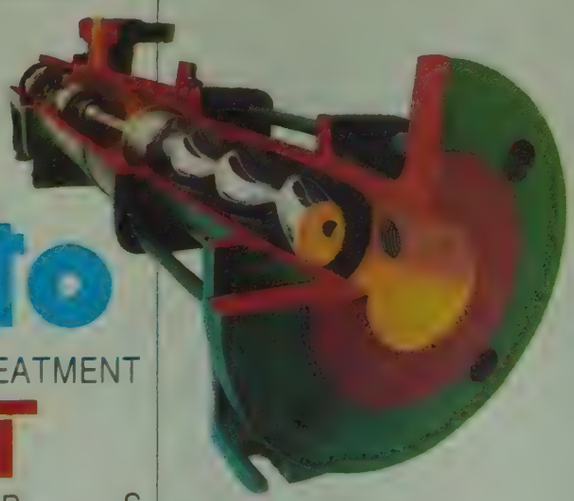


7. NO PRESSURE PROBLEMS

The ability to build high pressures upto 24 bar makes it ideal for centralised Effluent Treatment plants involving fluid conveyance over enormous distances.

8. THE MUTRATOR-CRUNCHES MATTER & SLASHES COSTS

The Roto Mutrator working in conjunction with Roto B.E.T. pumps greatly slash effluent treatment costs by enabling use of significantly small diameter pipes for flow of effluents without fear of clogging or choking. This is possible by use of the Roto Mutrator, which disintegrates uniformly and thoroughly any bulky waste matter.



Roto

BETTER EFFLUENT TREATMENT

B·E·T

P U M P S

THE HEART OF BETTER EFFLUENT TREATMENT

Roto Pumps & Hydraulics Pvt. Ltd.

Mktg. H.Q.: NEW DELHI: 308 Osian Building, 12, Nehru Place, New Delhi-110 019 Tel.: 6418513 & 6435339 Cbl.: ROTOSALES Tlx.: 031-61817
Bombay: 54 Ajay Deep, 240, Perin Nariman Street, Fort, Bombay-400 001 Tel.: 264604 Cbl.: ROTOSALES Tlx.: 73946
Calcutta: 310, Shantiniketan, 8, Camac Street, Calcutta-700 017 Tel 431943 Cbl.: ROTOPUMPS Tlx.: 4379
Bangalore: 885, M 1st N Block, Rajajinagar, Bangalore 560 010 Tel 353887 Cbl ROTOSALES
Baroda: 312, Sriram Chambers, Opp. Circuit House, Alkapuri, R.C. Dutt Road, Baroda-390 005 Tel.. 328058

EARPCM 8014

RPG Enterprises is one of the largest and fastest growing business houses in India, with an annual turnover of over Rs. 1000/- crores in highly diversified activities.

RPG Enterprises is poised for rapid growth in the field of International Trading with special emphasis on Exports, and is in the process of building a team of dedicated professionals. To manage these operations, it needs:

MANAGERS — IMPORTS (METALS)

Candidates should have 7-10 years experience in trading in any metal/scrap — steel, aluminium, zinc, etc. and a thorough knowledge of respective end users in the Indian market. Age around 30-35 years.

The job involves co-ordination with end users, sales promotion to diverse industries in India on behalf of our international principals, servicing existing clients and expanding client portfolio throughout the country.

PRODUCT MANAGERS — EXPORTS

Candidates should have 5 years "hands on" experience in export of any of the following product groups: engineering products, chemicals and pharmaceuticals, leather and leather products, processed foods, extraction, fresh fruits and vegetables, consumer goods, textiles/yarn, agricultural or traditional commodities, etc.

The job involves development of supply sources, business promotion, finalisation & completion of orders for achieving export targets in relevant areas.Only those with experience in these functions and who have handled exports independently need apply. Experience in U.S.A., Europe and Middle East, is desirable.

COMMERCIAL OFFICER

The candidate will have around 5 years experience in Export/Import documentation. He should have good knowledge of export/import policies and procedures, exchange control and customs regulations.

He should be familiar with work relating to CCS, Duty Drawback, Licences and should have dealt with the concerned authorities/departments.

FINANCE OFFICER

Will assume charge of the Finance and Accounting Functions for International Trading. His responsibilities would include financial planning, budgeting, statutory accounting, dealing with banks, foreign exchange, tax planning and administrative functions.

The ideal candidate would be a CA/MBA in the age group of 30-40 years.

Remuneration will be commensurate with experience and qualifications.

Please apply within 10 days with complete bio-data, superscribing the envelope with the post applied for to:

Executive Director

RPG Enterprises

463, Dr.Annie Besant Road, Bombay 400 025.

RPG ENTERPRISES LTD.

Responding • Performing • Growing

RAJASTHAN PETRO SYNTHETICS LIMITED

Pioneers in the manufacture of Polypropylene multi-filament yarn in India in technical collaboration with companies from USA, Switzerland and Italy, the company is operating its most modern unit at Udaipur and its Head Office in New Delhi. The Company's products through its brand name aaLON *have achieved a very good market standing in a short time. Encouraged by its past performance, the Company is now expanding its capacity from 1000 TPA to 6000 TPA in the next two years. Through this the company is aiming at creating more demand and exploring new avenues. This would bring a major leap in company's operations and activities.*

The Company has made the development of human resources as an integral part of its corporate philosophy. Together with its committed hardcore professional executives, the company is now visualizing the coming years to be full of challenge, opportunity, excitement and rich experience. To share all these, the Company wishes to expand its existing team. The immediate requirements are:

SR. MANAGER–FOREIGN TRADE (RPSL-SMFT)

Based in New Delhi, the incumbent is expected to take care of both imports and exports with imports being the emphasis area. The imports shall be primarily from W. Europe and USA. The incumbent should be well versed with all aspects of raw material and capital goods import right from the licence application stage to opening of L/Cs and subsequent custom clearance co-ordination. Good working knowledge of DGTD and CCI & E operations is desirable. An exposure in exports, specifically in the Asia and Pacific region, is desirable. Pleasing personality with good communication skills is a must. This is an HOD position reported by a small team of managers and executives. Past experience in the synthetics industry will be ideal. Preferred age: 40-45 yrs.

PERSONS WITH LESSER EXPERIENCE CAN BE CONSIDERED FOR THE POSITION OF ASSISTANT MANAGER/EXECUTIVE – FOREIGN TRADE (CODE: RPSL-AMEFT)

MANAGER–PROJECT FINANCING & BANKING (RPSL-MPFB)

Based in New Delhi, the incumbent is expected to take care of all aspects of project financing and banking. Strong in preparation of project reports, he is expected to negotiate and finalise arrangements with the leading financial institutions and banks. He will also be involved in long term planning and monitoring of the present and future projects. Good communication skills, pleasing personality, analytical brain, innovative ideas and persevering nature is essential. He should have handled at least one project with a minimum worth of Rs. 15 crores. A Chartered Accountant or an MBA (finance) in the age group of 30-35 years will suit the slot.

As per the Industry norms the company offers an attractive compensation package and perquisites.

Send your resumé in strict confidence, preferably with a passport size photograph (mentioning the code on the envelope) to:—

the PERSONNEL lab.
MANAGEMENT CONSULTANTS

10223, II Floor, Indian Overseas Bank Building, Gurudwara Road, Karol Bagh, New Delhi-110 005. P.O. Box No.2670, Gram: CONAIDE, Tlx: 031-77290 VENU IN, Ph: 5730717

A new city emerges on

Sprawled out at the Verna Plateau, near the Dabolim Airport, is a city quite unlike you've ever visited.

It goes by the name of the Electronic City.

Planned and developed by GDDIDC along the lines of the Silicon Valley in San Francisco and Kobe City in Japan.

And the Electronic Park in Bangalore, and Gandhinagar Electronic Industrial Estate in Gujarat.

The Electronic City will exclusively cater to the needs of the electronics, telecommunications and computer industries.

It will house 150 to 200 manufacturing units, sophisticated tooling & testing facilities and a Research & Development Centre.

The significance behind this growing electronic culture in Goa, is the fact that all electronic goods manufactured in Goa are totally exempt from sales tax.

Registered Office: Shree Saraswati Mandir Building, 18th June Road, Panaji, Goa 403 001. Tel: 6201 (5 lines) Telex: 0194-208

Goa's industrial horizon.

To meet the demand for high-quality manpower the Electronic City will set up an institute for training highly skilled manpower.

Besides, special emphasis will be placed on attracting scientists and technologists from abroad.

Naturally the City will have an ultra-modern residential complex.

Moreover, its location at Verna gives the advantage of proximity to the airport connected to major Indian cities and international capitals.

So now, if electronics is your business bring it to the Electronic City.

And do business with a great deal of pleasure!

GDDIDC

Goa, Daman & Diu Industrial Development Corporation.

Bombay Office: C/o. EDC. Regent Chambers, Office No. 4, Nariman Point, Bombay 400 021. Tel: 242380.

Max India Limited, an associate of Ranbaxy Laboratories Ltd., is a professionally managed and growing company with annualised sales of around Rs. 30 crores. The company is a leading manufacturer of drug intermediates and speciality chemicals and is actively diversifying into packaging, adhesives and fermentation based products. The company also has interests in the electronics and plastics industry for the long term and is examining releated projects in these areas.

To replace existing personnel in the business planning department, who are moving on to assume new operational responsibilities related to the company's diversification — the company requires:

HEAD OF BUSINESS PLANNING

— DELHI

The incumbent will report to the Managing Director. The job involves new project identification; Corporate Planning; lending business and strategic support to existing and new business; etc.

The candidate should be an engineer-MBA with 10 years experience of which 3-4 years should be in a similar position. The balance experience should include line operation responsibility.

The position calls for a high degree of initiative, drive and strong business acumen. The position also offers the potential of moving into a line function at a later stage.

Only persons holding senior positions should apply.

DEPUTY AND ASSISTANT MANAGER-BUSINESS PLANNING

— DELHI

The incumbent(s) shall assist the Head of Business Planning in the aforementioned responsibilities.

An engineering background with 3-4 years' relevant experience is a must. MBA or equivalent will be considered an asset. The position calls for dedicated work and strong analytical capabilities. The job(s) offer opportunities for growth in existing as well as line functions.

Compensation package will be comparable to the best in industry and will not be a limiting factor for the appropriate candidate(s) for the above positions.

Applications with details of age, education, qualifications, experience and specific career achievements may be sent within 7 days to:

SR. MANAGER-CORPORATE PERSONNEL
MAX INDIA LIMITED
DEVIKA TOWER, 6, NEHRU PLACE, NEW DELHI-110 019.

The position applied for should be superscribed on the application and envelope.

TVS Whirlpool

requires

R & D personnel

Pondicherry **Very attractive terms**

TVS Whirlpool is promoted by Sundaram-Clayton and Whirlpool Corporation, USA. It is setting up a project at Pondicherry for the manufacture of a range of appliances including Washing Machines, Dishwashers and Refrigerators.

The Company is looking for high fliers in R & D. For selected candidates, TWL offers the freedom to innovate, the satisfaction of a congenial, well-equipped work environment and the camaraderie of being part of a highly motivated team.

Senior Manager — R & D

You will have the overall responsibility of R & D functions. You will motivate and lead a team of high calibre R & D Group Leaders and Product Leaders. You will be a leader who is also a team player, interacting harmoniously within the organisation.

You will have a proven record of creativity and innovation. You will be able to conceptualise designs for manufacture. You will be familiar with national/international standards and research procedures and reliability estimation techniques. You would have had exposure to off-line quality control such as design FMEA, design of experiments etc.

You will be a graduate in Mechanical Engineering with post-graduate qualification. You will have at least 12 years' experience in R & D with a minimum of 3 years in a senior position.

Product Leaders — R & D

Graduates in Engineering with minimum 8-10 years' experience in R & D of which 3 years in managerial capacity, leading product groups of any Light Engineering Industry. Post-graduation in Industrial/Business Management will be preferred. Specialisation in Washing Machines, Refrigerators and Compressors will be an added advantage. You will be leading/ co-ordinating a team of engineers from different disciplines such as Mechanical/ Electrical/Electronic/Thermal/Fluid Engineering.

Group Leaders — R & D

R & D engineers with degree in any of the disciplines of Mechanical/Electrical/Electronic/ Thermal/Fluid Engineering with 5-6 years' experience in innovative R & D work.

You will be leading a group of engineers for major appliances like Washing Machines, Dishwashers and Refrigerators.

Specialists with experience in sub-fields like motors, compressors, digital controls, solenoids, may also apply.

In addition to the above, specialist engineers are also required to set up and develop laboratory facilities for chemical, physical, reliability, endurance testing and prototype building shops.

All the above positions offer excellent opportunities for growth.

Send in your resume on A4 size paper to:
The Senior Manager (HRD)
TVS Whirlpool Pvt. Ltd. 178, Kodambakkam High Road, Madras-34

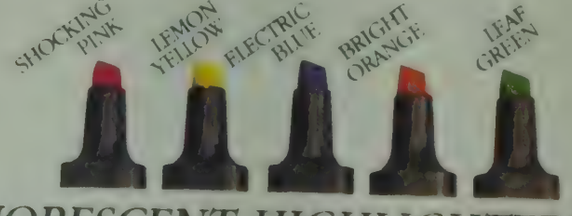
or

Call us at telephone no.: 044 (Madras)-477547 and leave details including your name, telephone no., contact address and the position applied for. Our HRD will get in touch with you.

TVS.W.1059.88

Choose the No.1

When you use the best, you bring out your best.
With every stroke of a Luxor highlighter, your memos, charts, project reports and circulars will project your point with extra emphasis.
And especially for students it's ideal. Marking all important notes and texts with a brilliance that promises brilliant results.
Luxor highlighters. Two years ago they were the first.
Today they are the best. So keep yourself armed,
and highlight your way to the top.



WORLD CLASS FLUORESCENT HIGHLIGHTERS By Luxor

BAHWAN AUTOMOTIVE CENTRE
MUSCAT

We are the largest Business Group in the Sultanate of Oman. Our Automotive Centre represents world renowned automobile/construction equipment franchises like TOYOTA, FORD, M.A.N., DAEWOO, LADA, KOMATSU, KUBOTA TRACTORS, YOKOHAMA TYRES, THERMOKING REFRIGERATION UNITS ETC. We have openings for:

DATA PROCESSING/SYSTEMS MANAGERS

As a part of our expansion programme, we are in search of Data Processing personnel to augment our senior management cadre. Our Computer Centre is housed with IBM AS/400 B-40, IBM 4331 and IBM System/34 mainframe computers besides numerous IBM Personnel Computers. The Centre provides dedicated inhouse computing support by developing and implementing predominantly realtime systems for the benefit of end users. The incumbent should necessarily have proven track record of achievements in the area of Systems design and programming to backup his candidature. He will be required to develop and maintain commercial applications and should possess innate skills to turn every challenge of our demanding users into reality. The job also calls for evaluation of computer and communication hardware and software products.

QUALIFICATION

Degree in Computer Science from I.I.T. or other similar institutions. An additional Post-graduate specialisation in Business Management from I.I.M. will be desirable.

EXPERIENCE

Not less than 10 years in Systems Design and programming of which three years should be in a senior position. Candidates having experience on IBM Mainframe computers and communication network will have an added advantage.

Impressive personality, excellent communication skills and leadership traits are other factors that will enhance chances for final selection.

AGE: 35 years

EMOLUMENTS

Salary will not be a constraint in the choice of the right candidate and an attractive remuneration package including fully furnished family accommodation, car, air passage for self and family, annual leave, free medical facilities and gratuity will be offered. Vistas for career advancement are immense.

Applicants willing to join us from a long term perspective need only apply within 10 days along with detailed resume, recent photograph, copies of credentials to:

The Personnel Manager
BAHWAN AUTOMOTIVE CENTRE
P.O. BOX 168, MUSCAT SULTANATE OF OMAN

Interviews will be held in Bombay, Delhi, Calcutta, Madras, Bangalore and Hyderabad. Please indicate your preference in the application.

Sai-34

Hindustan Lever Limited

Lipton India Limited

Lipton

CAREERS IN FINANCE

The Unilever Group of Companies in India has a common pool of management resource. This enables us to offer Managers opportunities for career growth through exposure to diverse business functions.

We wish to recruit young professionally qualified Chartered Accountants (around 25 years) with outstanding scholastic achievements for our Management Training Scheme. A good record in extra-curricular activities and leadership roles will be an advantage.

Those selected will be put through a structured training programme of 18 months covering Factory, Branch and Profit Centre accounting including spells in Treasury, Audit and other commercial areas. After successful completion of training, they will be confirmed as Managers. Those with potential could have opportunities for international exposure and be groomed to take on general management responsibilities.

We offer an attractive remuneration package (both during training and on confirmation) which includes housing.

If you are interested in a career with us, do reply with a detailed resume within 10 days to: The Selection Manager, Hindustan Lever Ltd., Post Box No. 409, Bombay-400 001, superscribing the envelope "MT (Finance)".

Those who have applied to us earlier or are yet to qualify, need not respond to this advertisement.

Qimpro Consultants Private Limited, Bombay, is the Indian affiliate of the Juran Institute Inc., U.S.A. Dr. Juran, who founded the Institute, established a global network of affiliates each of which forms the channel for the dissemination of his decades of experience in the management of quality.

Qimpro has been very successful in carrying out the mission of the Juran Institute which is, "...to provide our clients with the concepts, methods and guidance for attaining leadership in quality."

The second part of the mission statement of the Juran Institute is aimed at gaining recognition "...worldwide as the leading source of education, training and consulting in managing for quality."

To meet the demand from various organisations for Dr. Juran's programme on Quality Improvement, Qimpro invites professionals to join its task force.

CONSULTANTS – QUALITY MANAGEMENT (Q 01)

Qimpro offers several well structured seminars and courses on managing for quality. These programmes have been designed by Dr. Juran for various levels of management. The selected professionals will be trained, in the implementation of these programmes, following which they will be required to conduct seminars at various centres in the country.

Candidates should have good technical qualifications with at least ten years general management experience. Exposure to more than one industry will be an asset. Public speaking skills are essential.

CONSULTANTS – QUALITY IMPROVEMENT (Q 02)

These consultants will advise our client organisations in India on the implementation of the programme *Juran on Quality Improvement* (JQI). Their key responsibilities after induction will include, JQI facilitation, JQI process audit and JQI project evaluation.

Candidates should be engineering graduates from top drawer universities with at least five years experience in industrial or quality engineering. Strengths in behavioural sciences will be a definite advantage.

Qimpro Consultants Private Limited has a flexible compensation policy designed to meet the aspirations of the best talent. Housing facilities are not part of the package.

Write in with complete details of qualifications and experience and include a passport sized photograph. Locational preferences, if any, should be indicated.

Qimpro Consultants Pvt. Ltd.
1C Sindhu House, Nanabhai Lane
Flora Fountain, Bombay 400 001

CIMMCO LIMITED

(LEATHER COMPLEX)

We are a Multi Product, Multi located large Company and are a part of the leading Industrial Group of the Country. One of our division Cimmco International is a premier Trading House engaged in exports of a wide range of products such as Engineering Goods, Textiles, Agricultural Commodities and Chemicals. The company is setting up a project in collaboration with German Democratic Republic (GDR) for manufacture of Leather Shoe Uppers, located at NOIDA (U.P.), NEAR DELHI. We have the following managerial openings for the new complex:

Finance Manager : 1

The candidate should be a Chartered/Cost Accountant, conversant in dealing with banks, export finance & documentation, budgeting, Income tax, MIS and such other allied functions as go with the responsibility. Knowledge of computerisation of accounting would be an added advantage.

Materials Manager : 1

The candidate should preferably be an MBA with Materials Management experience. He will be responsible for planning & procurement of finished Leathers, consumables of footwear, engineering spares, vendor development and inventory management. Knowledge of import policy, financing procedures, customs regulations etc. would be an added advantage.

Manager/Dy Manager (R&D) : 1

The candidate should have Degree/Diploma in footwear Designing from a recognised Institute in India/abroad, with relevant experience in designing, sampling, pattern making, grading, drawing out technical specifications, costing and developing new range of shoe uppers/shoes.

Dy Manager/Sr. Officer Personnel & Administration : 1

The candidate should have Degree/Diploma in Personnel Management. He would head the Personnel & Administrative functions at the unit level. The candidate will manage a workforce of Two hundred skilled, unskilled labour and would be responsible for all statutory regulations relating to Factories Act, Provident Fund, ESI, etc. He would also look after industrial relations, security arrangements, upkeep and maintenance of the factory, time office. Knowledge of U.P Industrial Disputes Act, Factories Act, Labour Laws as applicable to U.P would be preferred

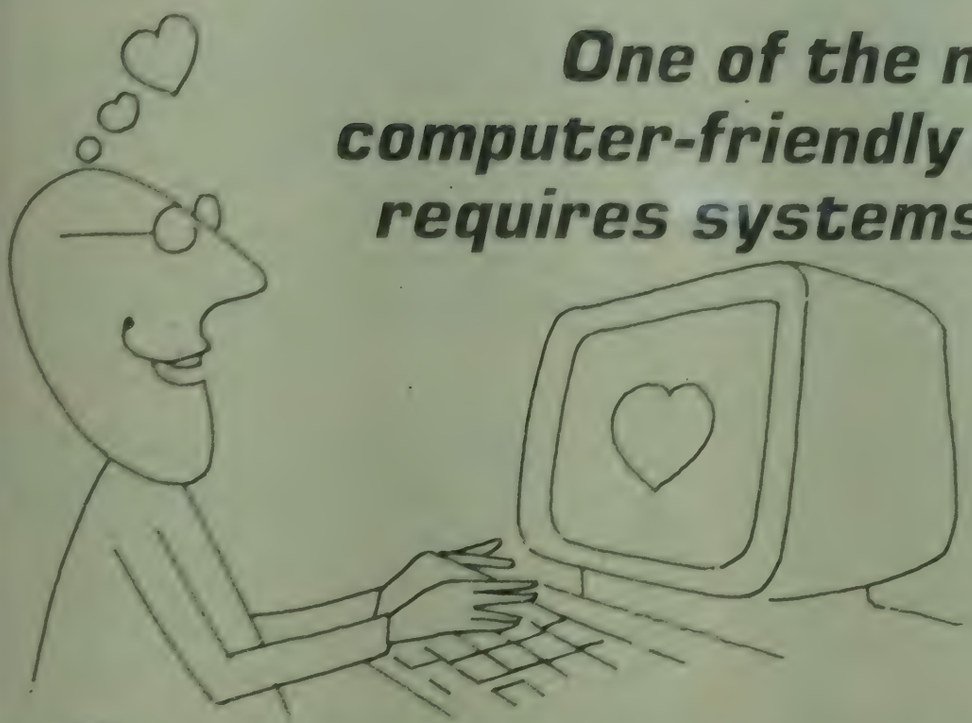
For all the above positions experience required is 5-7 years in similar industry with work force of not less than 200 persons. The preferred age group is 28-35 years.

All the above positions are of total responsibility. The incumbents would be respective heads of their departments. The company offers a very congenial working environment and offers tremendous opportunities for growth. The positions carry attractive pay packages and would not be a limiting factor for the right candidates.

Those interested may apply in confidence with detailed curriculum vitae, present assignment, salary drawn, salary expected and a recent passport size photograph, giving position reference on the envelope to

General Manager
CIMMCO LIMITED
(Leather Complex)
28-A, Kasturba Gandhi Marg, New Delhi 110 001

One of the most computer-friendly companies requires systems experts.



If you're a new generation systems professional, transplant yourself into Ramco – a Rs.200 crore group with activities in Cement, Building Materials, Textiles and Engineering. Ramco has taken to computerisation in a way few companies have. You'll interface with some of the best minds and machines here. And you'll stay keyed in to the challenge of setting up the information systems ... in a company which believes that technology is the driving force for success.

The Group's 'Information Services Function' evolves systems solutions by harnessing information technology. This implies: developing computer-based information and control systems, implementing the related action systems and training end users.

The Group uses a 4 GL (Focus) on LANs at its different locations. The plans encompass Wide Area Networks, Expert Systems, Simulation and Modelling.

Preferred Profiles:

Engineers/MBAs/CAs with 2-3 years' experience in developing and implementing computer-based applications. Exposure to DBMS preferred. Communication skills essential.

Programmers with 2-4 years' experience especially in DBMS.

Apply to:
Staff & Development Department,
Madras Cements Ltd.,
'Apex Plaza', 3, Nungambakkam High Road,
Madras 600 034.

The Ramco Group

A TURNING POINT IN YOUR CAREER

Isn't it time you got a well-deserved break ? We offer you the challenging job of

CHIEF EXECUTIVE

in the dynamic world of Financial Business.

The Company :

We are an all India Finance company of repute. with an impressive profit margin

The job :

The person will look after the operations, administration and personnel functions.

The candidate :

A dynamic, result-oriented personality with judicious management expertise in high level planning, organising and administration. Familiarity with on-job finance and banking will be added strength.

a) Quns : Management Graduate (Preferably)
b) Age : Around 50 years.
c) Experience : Holding a senior managerial position with 5 to 10 years proven track-record backing.

The package :

Emoluments will be commensurate with experience and competence. Attractive pay-pack with perks in the high scale await the right candidate. Those having a package less than Rs.100000 per annum need not apply

Write in confidence with Bio-data within 15 days to
Box no
AA/286/FP/2
Business India
Krishna Villa
100, Park Street
Calcutta 700 017

MISC

Madhya Pradesh Iron & Steel Company
(Prop: Hindusthan Development Corpn. Ltd)

Requires

PRESIDENT

at New Delhi

To take complete charge of all operations and lead a team of highly motivated professionals for its steel complex being set up in Madhya Pradesh.

Incumbent should have a strong techno-commercial background with proven management ability, business acumen and leader-ship qualities.

Candidates with experience in steel industry at top level preferred.

Age Group — Around 45-50 years.

Applications will be received in strict confidence and shcuid be sent within a fortnight to:-

The Executive Director
Hindusthan Development Corpn. Ltd.
Kanchanjunga, 7th Floor
18, Barakhamba Road
New Delhi-110 001

Sterling-4738

MARKETING CONTROLLER

Annual Compensation : Rs 1,50,000

The incumbent will head the entire marketing functions to vitalise men and operations and thereby to achieve results in line with Company's ambitious expansion plans and growth.

Proven managerial competence and achievements in pharmaceutical marketing functions including field sales management, and with about 10 years' experience in a senior management position of a Pharmaceutical Company of repute, are essential pre-requisites.

We expect the incumbent to be around 40 years of age, with a management qualification from a reputable Management Institute, in addition to at least a Science Degree.

Please apply in strict confidence within ten days, to

The Joint Managing Director
CHEMOSYN LIMITED
Proposed
THEMIS PHARMACEUTICALS
58, Suren Road, Andheri (E)
Bombay-400 093

The TTK Group

TT INDUSTRIES AND TEXTILES LTD.

We are a diversified textile company, manufacturing and marketing TANTEX hosiery, textile accessories and yarn with a turnover of over Rs. 20 crores. We require:

GENERAL MANAGER — MARKETING

A result-oriented, motivating professional in the age group of 35 to 45 years, with a post graduate degree in Management and experience in the marketing of national brands. The incumbent will report directly to the Managing Director.

PRODUCT MANAGER — TANTEX DIVISION

The candidate should be around 25 to 35 years of age with either a marketing degree or technical qualifications, backed by hands-on product management experience. The incumbent shall be responsible for coordinating marketing, advertising, new product development and exports.

Salary and perquisites shall be commensurate with qualifications and experience and will not be a constraint for the right candidates.

Please apply in confidence with details of qualifications, experience — past and present, specific areas of achievement and expected remuneration to:

The Managing Director
T T Industries and Textiles Ltd.
6 Cathedral Road, Madras 600 086.

M.P. STATE COOPERATIVE OILSEEDS GROWERS' FEDERATION LTD.

Bhagawan Complex, 214, Maharana Pratap Nagar, Bhopal-462 011

OILFED is a large, fast growing professionally managed organisation engaged in the processing and marketing of edible oils and soyameal.

OILFED's rapid growth has created opportunity for dynamic result-oriented professional to be based in Head Office, Bhopal in the age group of 40-45 years.

GENERAL MANAGER
(PERSONNEL & INDUSTRIAL RELATION)
BHOPAL (M P)

The incumbent will be the head of Personnel Division, reporting to the Managing Director. He will be responsible for harmonious industrial relations, redressal of grievances, disciplinary action procedures, welfare activities, human resources planning, recruitments, human resource development, general administration and implementation of provisions of various industrial laws. He will coordinate for these functions for 5 plants/projects and various branch/district offices situated in Madhya Pradesh and major cities of India.

The Federation is looking for a matured, competent, experienced person with proven ability to look after services of professionals and work force of 1000 personnel which are expected to increase to 1400 within a year.

He should be a Graduate with Post Graduate qualification in Personnel Management and Industrial Relations from a reputed Institute, with 15 years experience out of which minimum 3 years as a head of the division in a large and professionally managed organisation.

The successful candidate will be placed in the grade of Rs. 4500-5300 (total emoluments approximately Rs. 5,435.00 at the minimum p.m.). Besides salary, the prequisite package includes, benefits of medical reimnursement, group insurance, leave encashment, contributory provident fund, group gratuity, housing and conveyance as per the rules of the Federation.

Preference shall be given to eligible SC/ST candidates. The Managing Director reserves the right to reject any application without assigning any reason whatsoever. Apply within 10 days with complete bio-data, alongwith a recent passport-size photograph to the Managing Director, MP State Cooperative Oilseed Growers' Federation Ltd., 214 Maharana Pratap Nagar, Bhagwan Complex, Bhopal - 462 011.

Consultants India

V.I.P. INDUSTRIES LTD.

V.I.P. Industries Ltd. is one of the largest luggage manufacturers in the world with modern plants at Nasik, Nagpur and Jalgaon. The manufacturing operations have the support of a sophisticated toolroom at Nasik.

The Company is planning to establish itself as a major OEM supplier of plastic moulded industrial components to the TV, automobile and consumer durable industries.

To spearhead this plan the Company is looking for a

MARKETING MANAGER
LOCATION: NASIK

The incumbent will co-ordinate the marketing and sales function of the Industrial Moulding Division. The areas of responsibility will include servicing the existing customers, development of new customers, identifying new markets & product applications, close liaison with customers and factory personnel.

The candidates should be Engineering Graduates with at least 5 years experience in selling industrial products. Experience in the sales/marketing of plastic related products will be an added advantage.

The Company provides a good compensation package, excellent work environment and opportunity for career advancement based on performance.

Please apply within 10 days giving full details of age, education, experience and salary drawn, superscribing the envelope with the position, to:

V.I.P. INDUSTRIES LTD.
Post Box No. 9120,
88C Old Prabhadevi Road,
Bombay 400 025

New Commercial Advts

AREA SALES MANAGER

CONSUMER PRODUCTS

RIYADH (S.Arabia) — **SR 7,000 pm tax free + excellent benefits**

One of the major Saudi Companies wishes to appoint an Area Sales Manager for its Consumer Products Division which handles toiletries, packaged and frozen foods, cigarettes and household products, etc.

Reporting to the Regional Manager, he will have total responsibility for sales and distribution function of the area office which employs multinational work force of 80.

Suitable candidate will have a good university degree, preferably MBA and at least 10 years extensive experience in selling fast moving consumer products ideally obtained in a multinational company. Preferred age group: 30 to 40 years.

The company's well structured compensation plan offers excellent savings potential. Muslim candidates preferred for this appointment.

As the client interviews will be held shortly, please rush a detailed resume indicating contact telephone numbers, and quoting Ref. No.: SCB/F-3181.

DATAMATICS STAFFING SERVICES
Post Box No 106 G.P.O. Bombay-400 001.

Diason

SRF
SHRI RAM FIBRES LIMITED

We are a fast growing, professionally managed group with an enviable track record and an annual turnover exceeding Rs.125 crores. Our business portfolio includes Nylon Tyre Cord, Synthetic Industrial Fabrics, Engineering Plastics, Precision Bearings, Auto Electricals and Financial Services. As a young organisation, we place emphasis alike on business growth and development of our people. For our new business ventures, we need:-

EXPORTS EXECUTIVE Corporate Office

The position is in the Corporate Exports Cell, responsible for developing exports of the company's diverse products. It calls for handling of all export formalities and documentation, despatches, advance licensing, DEEC book maintenance, handling of clearing agents, liaisoning with CCI&E and other authorities and duty drawback and import/export policy matters. The incumbent should be a graduate, preferably with a diploma from IIFT and 5 to 6 years of relevant experience.

SALES COORDINATION EXECUTIVE Fluorocarbon Division

For our new project, in collaboration with an internationally renowned organisation, to manufacture Fluorocarbon Refrigerant Gases, in Dist. Alwar, Rajasthan, about 70 Kms from New Delhi, we need a Sales Coordination Executive. The position calls for thorough knowledge of Sales Tax and Excise Duty laws and procedures, finished stock inventory management, meticulous maintenance of all regulatory records, liaison with concerned authorities, invoicing and processing of insurance claims. Incumbent should be a commerce graduate with 8-10 years' experience.

Emoluments compare with the best in the industry and shall be commensurate with qualifications and experience. Interested persons should forward detailed bio-data, mentioning the position applied for, immediately, to:

Vice President (Personnel)
SHRI RAM FIBRES LIMITED
Express Building
9-10 Bahadurshah Zafar Marg
New Delhi – 110 002

THE BIBLE SOCIETY OF INDIA

SENIOR MANAGEMENT LEVEL APPOINTMENT

A major national publisher with growing distribution network, is looking for a highly result oriented and motivated person in a senior position for

COMPUTERS

who is deeply committed to the Bible Cause, at its Central Office at Bangalore. Salary will be commensurate with qualification and experience.

The candidate should have a sound tertiary education preferably in a Computer Science discipline with five years experience in a senior managerial position in the field and in implementing computer installations in a large organisation. He should also have the ability to effectively communicate concepts and ideas. A thorough knowledge of IBM personal computer systems would be an advantage.

The person selected will have the overall responsibility for the installation, implementation, use and support of computers within the Bible Society of India and to promote the optimal use of such technology in all aspects of Bible Society work.

Applications on plain paper with detailed resume of age, education, training, work/senior level experience, salary now drawing and expected salary etc., should be mailed to the General Secretary, Bible Society of India, 206, Mahatma Gandhi Road, Bangalore-560 001 to reach him immediately. **Those who have applied earlier need not apply again.**

AN INTERNATIONAL BANK

with branches in
a number of major Indian cities
wishes to appoint an

INSPECTOR

The incumbent would be responsible for implementation and control of ongoing inspection programmes to ensure conformity with stipulated operational procedure, and the evolution of various changes and preventive measures oriented at safeguarding the bank's interest and improving its efficiency.

Ideally the applicant would be a ACA/MBA (Finance) around 40 years of age with a meticulous disposition, a flair for investigative and analytically oriented work and over 10 years experience at a middle to senior level in a banking or finance related area preferably in a computerised environment.

Incumbent should have had atleast 2-3 years direct exposure to internal audit/inspection related functions. Preference would be given to applicants with proven experience in either banking inspection/audit work or as an auditor with a reputed firm of Chartered Accountants.

This is a senior level appointment reporting to a more senior inspectorial position but with prospects for further promotion within a limited number of years. Compensation will be extremely attractive. Though based in Bombay the position entails extensive all-India travelling for extended periods of time.

Applications giving full details should be sent within 10 days to:

Post Box No. 11236
Bombay 400 020

MARKETING MANAGER

FRENCH MULTINATIONAL

New Delhi **Starting Rs. 20,000 p.m. gross**

A well known French multinational which has a long association with India and has plans to significantly increase its operations, wishes to recruit a Marketing Manager.

The incumbent, to begin with, will look after a region and will be expected to formulate and implement marketing plans to achieve growth objectives.

The selected candidate will initially have a 3-year contract during which he will be trained in the business of the organisation, in India as well as at the Head Office in Paris. There are possibilities of rotation of job functions in the future.

The person that we are looking for should preferably be an MBA with 5-10 years of experience, ideally in both product and sales management functions gained in a multinational. Preferred age: 35 years. He must be proficient in French.

The emoluments indicated above are all inclusive.

Please apply in strict confidence within 10 days to:

AF Ferguson Associates
Hansalaya
Barakhamba Road
New Delhi - 110 001

giving full details of age, qualifications, experience and salary drawn. All applications and envelopes must be marked **Ref. MS/4863.**

BRANCH MANAGER

For
Metropolitan Cities

A large professionally managed Company requires BRANCH MANAGER for their Industrial Laminates and Chemicals Division in the metro cities. The Company has Engineering and Electronics manufacturing units with turn-over around Rs. 140 crores per year. The Company is executing a number of ambitious diversification projects and the vacancies have resulted from same. These present requirements are in Bombay, New Delhi, Madras, Bangalore, Calcutta, Hyderabad and Ahmedabad.

The successful candidates should run marketing operations of Industrial Laminates and Chemicals as independent profit centres. They should have an established track record in sales of industrial input materials, preferably laminates. Exposure to PCB industry would be preferred. While an Engineering degree is not a must the Company prefers graduate in Electronics or Chemical Engineering.

Candidates having their own accommodation in the cities mentioned above would be preferred. Emoluments and perquisites will be commensurate with industry norms. The positions provide excellent growth prospects in a sun rise industry.

Please apply with details of age, qualifications, experience, city preference and Salary drawn within 10 days. Envelopes may be, marked with MSD/721.

S. R. BATLIBOI AND COMPANY
36, Ganesh Chandra Avenue
Calcutta-700 013.

MANAGER – PERSONAL BANKING

OMAN

U.S. $2000/- P.M. + PERKS

A leading Omani Bank with affiliation to an **International Bank,** requires a Manager to head its newly created Personal Banking Department.

The incumbent would be responsible for creating, developing and managing the Personal Banking Department for private customers. The Manager would be expected to develop and launch **innovative services** and products and be responsible for the overall efficiency and profitability of the department.

Applicants must be graduates from a reputable university in the age group 35-45, preferably with an M.B.A. from a leading institution (In India or abroad). A minimum of 10 years experience in a bank with extensive knowledge of **retail banking** and private customer services in a computerised environment is essential. The incumbent must be experienced in stock and capital market dealings with a strong bias towards marketing. Excellent communication and interpersonal skills are desirable.

The compensation package includes a minimum **tax free** salary of U.S. $2000/- per month, fully furnished family accommodation and other perquisites normal for a senior position.

Please apply within 10 days to:

LOVELOCK & LEWES (MCS 950)
Mahindra House
15 J. N. Heredia Marg
Ballard Estate
Bombay 400 038

WIPRO

We are a rapidly growing corporation in consumer products, fluid power and information technology business providing quality products and services. Sales turnover last year was Rs. 205 crores. We offer you opportunities to grow on the strength of your professional contribution.

CHIEF INTERNAL AUDITOR

Position is based at Bangalore reporting to the Corporate Executive Vice President, Finance. Principal responsibilities are:

- Establish a program to meet audit objectives
- Lead an audit team to assess business performance, conditions, controls, risks and exposures.
- Recommend improvement programs and market benefits to operating management.
- Improve the quality and depth of audit.

Audit in Wipro is a corporate function covering our business divisions, subsidiaries and joint ventures. Audit committee of the Board of Directors periodically reviews audit reports and implementation of audit actions.

Candidates must be a CA with atleast 10 years managerial experience in the accounting & finance or audit function in a reputed professionally managed corporation. Experience in computerised systems will be an advantage. Ability to spot trends, weakspots, identify root problems and design solutions, is a key leadership requirement of the job. We are looking for strong controller qualities with a management orientation, excellent communication & interpersonal skills and potential to move to a line job in course of time.

This is a senior management appointment with considerable growth prospects. We offer an attractive compensation. Send your detailed resume giving your contact number within 10 days to: Corporate General Manager, Personnel, Wipro Limited, Bakhtawar, 229 Nariman Point, Bombay 400 021. Telephone: 202 6436.

CLOSE TO THE CUSTOMER

EAST INDIA UDYOG LIMITED

Requires

PROJECT MANAGER

MULTI LAYER PRINTED CIRCUIT BOARD

We are part of a growth oriented industrial Group with interest in Jute, Textiles, Plastic processing, Power and Distribution Transformers with a turn-over of Rs. 150 Crores. A Particle Board Project is under implementation. We are now setting up a Rs. 10 Crore export oriented Multi Layer PCB Project in technical/financial collaboration with a leading U.S. manufacturer and are on look out for a dynamic PROJECT MANAGER.

The incumbment will take up detailed study of the project, in close co-operation with collaborators/technical consultants and successfully execute the project and take over responsibility of manufacturing operations, thereafter.

The candidates with Electronics Engineering background and manufacturing/operational experience of over seven years in electronic components field at senior level in an organization of repute would be best suited.

The position is in Senior Management Cadre and offers attractive salary and perqusites with opportunity for advancement in the growing work environment.

Interested persons are requested to mail their resume within ten days in strict confidence to:

CHIEF EXECUTIVE,
EAST INDIA UDYOG LTD,
145, G.T. ROAD, P.O. SAHIBABAD, GHAZIABAD: 201005 (U.P.)

PEPSI, VOLTAS, PUNJAB AGRO JOINT VENTURE

FIELD ENGINEERING MANAGERS

The joint venture company has been designed to take India's agriculture, food processing, export, snack food and beverage industries to the leading edge of world class technology. For this dynamic partnership, we are recruiting motivated engineering managers who will participate in the development of production facilities at different metro locations in India.

Reporting to the Technical Services Director, each manager will participate in the planning, design and start-up of new production facilities. This will include responsibility for selection and installation of equipment, training plant personnel and maintenance of quality assurance standards. Technical assistance in the area of productivity improvement will also be provided.

Candidates must be mechanical engineers with at least 5 years experience of high speed manufacturing in the food processing or consumer product industries. A strong production, packaging and QC background would be desirable. Age profile: around 30 years.

An aggressive salary and perquisite package is being offered so as to attract good candidates.

Please apply immediately in strict confidence to:

A. F. Ferguson Associates
Post Box 1786
Bombay 400 001

giving full details of age, qualifications, experience and salaries drawn. All applications and envelopes should be marked 'Ref. MS/5038'.

RAJA MAGNETICS PRIVATE LIMITED

for its

PLASTIC DIVISION

Bangalore **Salary Negotiable**

are in the look out for a **WORKS MANAGER** to head their injection Moulding Division. The Company's products enjoy reputation and good marketing support and the firm is now poised for further expansion and growth.

A new Plastic Division is established to specialize in Industrial Plastics.

Programmable Logic Controlled Injection Moulding Machines of reputed make have been installed and the trial production has already commenced.

The incumbent would have total responsibility for operations covering Injection Moulding Division such as production, Mould making, Maintenance of Moulds, Maintenance of Machines and plan for further growth.

He will be responsible for improving productivity, profitability and Quality Control.

Candidate should have atleast 10 years practical experience in a responsible position in Industrial Plastic manufacturing.

REMUNERATION will not be a constraint for the right candidate.

Our Factory is situated 16 Kms from the Bangalore City.

Suitable candidates can reply within 10 days to

The Managing Director,
M/S. RAJA MAGNETICS PVT. LTD.
367, Bhattarahalli, Old Madras Road, BANGALORE - 560 049.

GOODYEAR®

Goodyear India Limited, the subsidiary of Goodyear Tire and Rubber Company, USA engaged in the manufacture of automotive tyres and allied products, wish to appoint a dynamic person to head the Training Department located at their plant at Ballabgarh in Haryana.

MANAGER TRAINING

As head of the Training Department, the incumbent will assume full responsibility for training the Managers and Supervisors. He will coordinate objective based training for manufacturing and maintenance operations. His areas of responsibility will be Management Development, Staff Selection, Apprenticeship Scheme and Appraisal System.

The Training Manager will be a part of the Goodyear world-wide set up and for updating in Management Training techniques, he shall be required to attend various conferences/workshops in the USA and Europe based facilities.

Degree in Engineering/Science with MBA or equivalent degree in human resource development/management development with a munimum experience of 5 years, essential. Candidates with only relevant experience in the training function can also be considered.

The compensation packet envisaged will compare favourably with the best prevailing in the tyre industry.

Please apply within 10 days to :

Factory Personnel Manager
GOODYEAR INDIA LIMITED
Ballabgarh
Faridabad-121004

superscribing the envelope with position applied.

GRINDWELL NORTON LTD.

CHALLENGING CAREERS IN HI-TECH CERAMICS

BANGALORE & BOMBAY

The Organisation: a) is an integrated Manufacturer of Industrial Abrasives & Ceramics, b) has a collaboration with Norton Company of USA, the world leaders in Abrasives and Ceramics, c) is Managed by Professionals on the pattern of independent profit centres, d) has a highly customer-oriented all India Marketing Network.

Offers Positions In: Product Management function of Industrial Ceramics.

To: Young MBAs/Engineers (Mechanical, Metallurgical, Ceramic, Environmental & Chemical) with a flair for Marketing and a Sound Engineering base having 3-8 years experience in reputed industries.

To Become: Intrapreneurs of the various product lines. The job involves product management, application engineering and pre-and after sales service. These are executive positions with a high growth potential.

The gross annual compensation will be in the range of **Rs. 60,000 to Rs. 1,00,000 p.a.**

Write within ten days superscribing the envelope with PM-IC to:

HRD Manager,
Grindwell Norton Ltd.,
114, 4th Floor,
M.G. Road, BANGALORE 560 001

Visesh/G.N/8831

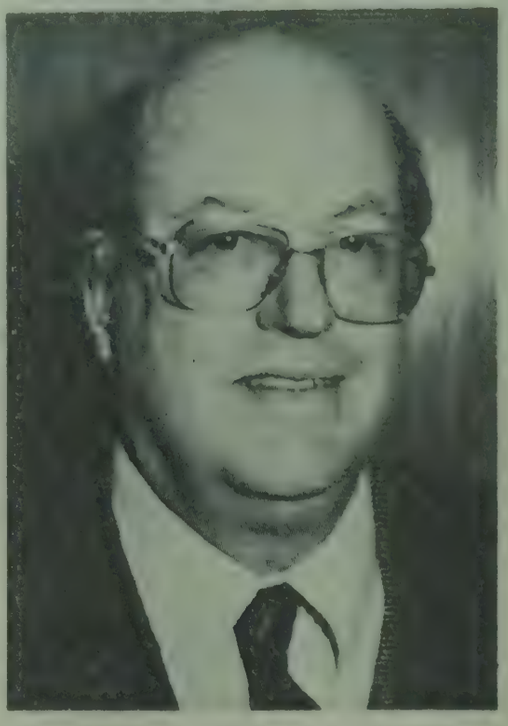
A PROGRESSIVE GROUP WITH VARIED ACTIVITIES BASED AT BANGALORE WISHES TO RECRUIT MANAGEMENT TRAINEES. MBAs WITH ENGINEERING BACKGROUND WOULD BE PREFERRED. PREVIOUS EXPERIENCE OF ONE TO TWO YEARS WILL BE USEFUL BUT NOT ESSENTIAL. MAIN FUNCTIONS WILL BE TO ASSIST TOP MANAGEMENT ON FUTURE INVESTMENT AND DEVELOPMENT ACTIVITIES AS ALSO CO-ORDINATING WITH DIFFERENT AUTHORITIES/FINANCIAL INSTITUTIONS. THERE WILL BE SCOPE FOR ON THE JOB TRAINING FOR THE RIGHT CANDIDATE WITHOUT PREVIOUS EXPERIENCE.

ATTRACTIVE SALARY AND PERQUISITES WILL BE OFFERED TO THE RIGHT MAN WHO WISHES TO MAKE AN INTERESTING CAREER AT BANGALORE.

PLEASE SEND YOUR APPLICATION WITH FULL BIO-DATA TO:

BOX NO. AA/286/CM/1, **BUSINESS INDIA,** WADIA BUILDING, 17/19 DALAL STREET, FORT, BOMBAY 400 001.

"A serious look at India"



More than 120 companies will be represented in the US Partner Country Exhibition, (the largest export promotion activity undertaken by the US government in India, and its second largest trade promotion effort anywhere in the world), at the 8th Indian International Engineering Trade Fair organised by the CEI, which will be held at Pragati Maidan in New Delhi from 19 to 26 February. On behalf of Business India, *Srinivas Vijay spoke to* **Melvin W. Searls, Jr,** *counsellor for commerce affairs, embassy of the United States*

Bilateral trade between the US and India crossed $ 5 billion in 1988. How do you visualise the future trade prospects between the two countries?
Though the potential is quite good, there are some problems and we should be lucky to maintain a trade level of about $ 6 billion in 1989. In terms of the US exports to India, problems might be more in the form of exchange shortages in India. Indian exports, on the other hand, will face a lot of competition in the US market. India cannot depend on traditional exports (textiles, diamonds, handicrafts), and should diversify its range to get a large share of the American market.

The new basket should include consumer goods, electronics, processed foods and light industrial goods. Unlike Taiwan and South Korea, India has not fully capitalised on its natural advantages to tap the US market. However, the balance of trade between the US and India is still in the latter's favour (about $ 1 billion).

Indian imports from the US have changed in composition over the years. Now, hi-tech products account for a quarter of the US exports to India. Why?
The change in composition of US exports is largely due to the memorandum of understanding (MOU) signed in 1985 between the two countries on the transfer of technology, which gives Indian customers access to a broader range and high level of technology.

Will trade centre on hi-tech products or are there other key fields in which trade could be expanded in the coming years?
In the years to come, our trade will be moving in the hi-tech area. India needs hi-tech products to modernise its broad industrial base and the US is competitively well placed to supply these products.

I see more US activity in offshore oil exploration, petrochemicals, gas sectors. Food processing has started generating some interest in the US. We can make a contribution there.

It is only now that the American businessmen have started showing interest in what they call "a rapidly growing Indian market". Why has the reaction been slow?
American companies have been actively pursuing other markets. So, it has taken a while for them to take a serious look at India. More US firms are getting interested now. A good indicator is the tremendous response to the trade fair, which has been sold out to more than 120 US firms.

Do you discern a lessening of economic controls, bureaucratic procedures and long delays under liberalisation here?
Improvements have been gradual. There have been some speedy approvals given to projects which would generate foreign exchange or bring in superior technologies from the foreign partners. But, on the whole, these are individual decisions and they take a long time to gel. The time factor still is working against Indian interests.

How can the Indian business environment be made more hospitable and attractive for foreign investors?
By changing the psychology of the foreign investor, who has to be convinced that India really wants foreign investments. At present, there are deterrents such as the 40 per cent equity limits, lack of public liability protection, intellectual property protection and the length of time for decision-making. These problems are gradually getting sorted out.

American companies are unhappy about inadequate protection of patents and intellectual property rights in India. And yet they are making a beeline to India. Does this mean they have reconciled themselves to the problems?

Most of the US investments come into India in the manufacturing sector which are not affected by lack of patent protection. There is very little investment in specific industries like pharmaceuticals, food and agriculture chemicals — this is due to the lack of product patent protection in these areas.

India has so far refused to amend its patent laws despite strong pressure from the US to do so. Will this force the US to impose trade sanctions and stop transfer of technology at a stage when Indo-US trade is poised for a great leap forward?
The US is continuing discussions with the Indian government on this issue. We believe that both sides would want to avoid any serious disruptions to trade. So we are hopeful that through our discussions we will be able to reach an understanding on the pace of change in the patent laws.

What level of interaction have the business communities of the respective countries achieved?
There's quite a bit of interaction. But generally speaking, the trade infrastructure of India in the US is fairly weak, compared to that of the East Asian countries. There seems to be lack of commitment among apex bodies towards creating a structure which will enhance trade relations on a continuous basis. JBC meetings once a year are useful, but there has to be something more structural and fundamental than that.

The more important the meeting, the more important the airline.

Lufthansa

LH 5807.2 DEL

RN 35850/78

REG. No. MH-
SOUTH

vespa
THE REAL ONE

Today ...

LML Vespa has captured over 23% of the Indian scooter market. With over 4 lakh scooters on the road. Sales have gone up from Rs. 40 Crores in 1985 to Rs. 200 Crores in 1988. Now you know why LML Limited is the fastest growing scooter company in India!

The superior choice

LML vespa